NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

OF

SHERRITT INTERNATIONAL CORPORATION

May 4, 2018

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CHAIRMAN'S LETTER

May 4, 2018

Dear fellow shareholders,

On behalf of the Board of Directors and the management of Sherritt International Corporation, I am pleased to invite you to attend the annual meeting of shareholders being held at the Metro Toronto Convention Centre, Hall 201EF, on June 12, 2018 at 10:00 a.m. (Toronto time). This meeting is your opportunity to exercise your voting rights, meet with the Board of Directors and the management team of Sherritt and share your views on the company and its performance.

Sherritt has unquestionably been through a difficult few years, having to navigate an extended period of low nickel prices at a time when debt levels were relatively high as a result of our legacy commitments to Ambatovy. Throughout this period, our unrelenting focus has been on preserving value in the near term so as to be able to deliver increased value in the longer term. Key priorities have been:

- Maintaining liquidity and building balance sheet strength;
- Upholding our leadership position in finished nickel laterite production; and
- Creating opportunities to extend the life of our Cuban energy businesses.

In line with these priorities, a number of significant achievements over the last five years have collectively preserved shareholder value and enabled Sherritt to position itself to reap the benefits of an improving outlook for the commodities we produce. These achievements include:

- Sale of our coal assets for $946 million and use of proceeds to repay $425 million in debt and enhance our liquidity, allowing the Corporation to withstand a prolonged downturn in nickel prices and facilitating the subsequent restructuring of the Corporation's Ambatovy interest;
- Ambatovy financial completion, eliminating the burden of an US$840 million loan guarantee;
- Deferral of US$540 million of loan repayments at Ambatovy;
- Extension of the maturity dates of our public debentures by three years for each of the three series;
- Signing of new blocks for the oil business in Cuba; and
- Reducing annual administrative expenses (excluding non-cash stock based compensation) by 37% from 2013 to 2017.

In 2017, these efforts continued, culminating in December with the restructuring of our interest in the Ambatovy project, which eliminated $1.4 billion in debt from our balance sheet in exchange for reducing our ownership interest from 40% to 12%. We also advanced the drilling on our primary new oil block, and signed extensions to an existing oil production sharing contract and to our Varadero power contract with Energas. In the nickel business, we saw our net direct cash costs for nickel continue to come down, in part with the help of an appreciating cobalt price, such that in the fourth quarter we posted a net direct cash cost of US$1.80 per pound, the lowest level seen since Q3 of 2004. We have continued to focus on strengthening our balance sheet in 2018 by buying back $120 million worth of debentures for $110 million using proceeds from our first equity raise in more than a decade. Our efforts to strengthen the balance sheet and restructure Ambatovy enabled us to opportunistically access the market during favourable market conditions and further reduce our debt levels at a discount to face value.

Our focus over the last few years has enabled Sherritt to be well positioned to capitalize on the most favourable market outlook for nickel and cobalt in years. Cobalt prices have recovered significantly and many analysts now forecast them to go higher. Nickel has recovered somewhat from the lows we saw in mid-2017, but continues to lag behind other metals relative to historic averages. Global demand for nickel continues to grow, fueled in part by commitments from governments and automakers to transition to electric vehicles, and that growth is forecast to continue. As a result, global inventories are declining and the industry's capacity to bring new supply to market in the near term is limited as there has been no significant investment in new nickel production capacity since the global financial crisis in 2008.

Following the formal business of the meeting, I will review Sherritt's 2017 performance in more detail, as well as some of the factors that have produced a strong rebound in cobalt prices, and an extremely favourable outlook for nickel and cobalt prices going forward.

All eight of the current Sherritt directors are standing for election at the annual meeting, including Maryse Belanger, who we were very pleased to have joined our Board of Directors as of February of this year. The notice of meeting and Management Information Circular accompanying this letter set forth the details of the matters to be presented at this year's meeting for your approval, and instructions on how to cast your vote on these matters. If you are unable to attend the meeting in person, I encourage you to vote your shares in advance of the meeting by delivering your completed proxy or voting instructions as explained in the accompanying Management Information Circular.

If you require additional information, please visit the investor relations section of our website at www.sherritt.com. Also available online is Sherritt's Annual Information Form and Sherritt's annual audited financial statements for the year ended December 31, 2017, including the related management's discussion and analysis, as well as other useful information.

I would like to thank you for your continued support, which has been particularly appreciated given the difficult period the company has experienced. The Board and management are strongly committed to executing our purpose of being a low-cost nickel producer while maintaining our balance sheet to position our company to create lasting value for our shareholders. We believe there will be interesting and attractive opportunities for Sherritt in the coming years, and look forward to continued success for our company in 2018 and beyond.

Sincerely,

David Pathe
Chairman, President and Chief Executive Officer
Sherritt International Corporation

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the "**Meeting**") of shareholders (the "**Shareholders**") of Sherritt International Corporation (the "**Corporation**" or "**Sherritt**") will be held at the Metro Toronto Convention Centre, Hall 201EF, 255 Front St. West, Toronto, Ontario on June 12, 2018 at 10:00 a.m. (Toronto time).

BUSINESS OF THE MEETING

At the Meeting, Shareholders will be asked to:

1. receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2017, together with the report of the external auditor thereon;
2. re-appoint the external auditor for the ensuing year and authorize the directors to fix the external auditor's compensation;
3. consider the following non-binding advisory resolution: "resolved, on an advisory basis and not to diminish the roles and responsibilities of the Board, that the Shareholders accept the approach to executive compensation disclosed in the Management Information Circular";
4. elect directors; and
5. transact such other business, if any, as may properly come before the Meeting or any adjournment or postponement thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice of Annual Meeting.

The Board of Directors has fixed May 3, 2018 as the record date (the "**Record Date**") for the Meeting. Only Shareholders of record at the close of business on the Record Date are entitled to vote at the Meeting or any adjournment or postponement thereof.

Your vote is important regardless of the number of common shares of the Corporation you own.

All proxies must be received by 10:00 a.m. (Toronto time) on Friday, June 8, 2018 and, if the Meeting is adjourned or postponed, no later than 10:00 a.m. on the date (excluding Saturdays, Sundays and holidays) preceding the date of an adjourned or postponed Meeting.

Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion without notice.

If you have any questions about the information contained in the Circular or require assistance to complete your proxy, please consult your professional advisor or contact the Corporation's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors by toll-free telephone in North America at 1-800-749-9197 or collect call outside North America at 416-867-2272, or by email at contactus@kingsdalesadvisors.com.

DATED at Toronto, Ontario, this 4th day of May, 2018.

By Order of the Board of Directors

"*Ward Sellers*"

Ward Sellers
Senior Vice President, General Counsel &
Corporate Secretary

SHERRITT MANAGEMENT INFORMATION CIRCULAR — QUESTIONS AND ANSWERS

Please refer to the accompanying Management Information Circular (the ''**Circular**'') for definitions of uppercase terms not otherwise defined herein.

Q: What am I being asked to vote on at the Meeting?

A: The Meeting is being held to consider the ordinary annual business of the Corporation, including the election of directors and the re-appointment of auditors. Shareholders are also being asked to vote on an advisory (non-binding) resolution regarding executive compensation, often referred to as a ''Say-on-Pay'' resolution (the ''**Say-on-Pay Resolution**'').

Q. What does the Board recommend?

A. Sherritt's Board unanimously recommends that Shareholders use their proxy to vote as follows:

- **FOR** the reappointment of auditors named in the Circular and the authorization of the directors to fix remuneration of the auditors;
- **FOR** the Say-on-Pay Resolution; and
- **FOR** the Sherritt Nominees (as defined below) named in the Circular for election to the Board.

Please see the section of the Circular entitled ''*Business of the Meeting*'' for more information.

Q. What if I can't attend the Meeting in person?

A. If you cannot attend the Meeting in person please ensure that the enclosed proxy is received by either Sherritt's transfer agent, AST Trust Company (Canada), or Sherritt's proxy solicitation agent, Kingsdale Advisors (''**Kingsdale**'') **by 10:00 a.m. (Toronto time) on Friday, June 8, 2018** to ensure your Shares are voted at the Meeting. The proxy includes instructions as to how you may vote by mail, telephone, fax or via email. The Chairman of the Meeting may waive this cut-off time at his discretion without notice.

Q. Who is soliciting my proxy?

A. The Board and management of Sherritt are soliciting the proxy for use at the Meeting. In connection with this solicitation, the Board and management of Sherritt have provided this Circular.

Q. How will the solicitation be made?

A. The solicitation will be made primarily by mail. In addition to the solicitation of proxies by mail, directors and officers and certain employees of the Corporation may solicit proxies personally by telephone or other telecommunication but will not receive additional compensation for doing so. The Corporation has also engaged Kingsdale to provide strategic shareholder advisory services and as proxy solicitation agent for the Meeting and will pay fees of approximately $30,000 (plus certain out-of-pocket expenses) to Kingsdale for the proxy solicitation service. The Corporation may also reimburse brokers or other persons holding Shares in their name or in the name of their nominees for costs incurred in sending proxy materials to their principals or beneficial holders in order to obtain their proxies.

Shareholders can contact Kingsdale either by mail at Kingsdale Advisors, The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario M5X 1E2, by toll-free telephone in North America at 1-800-749-9197 or collect call outside North America at 416-867-2272, or by e-mail at contactus@kingsdaleadvisors.com.

Q. What documents have been sent to Shareholders?

A. In addition to the accompanying Notice of Meeting and Circular, Shareholders have been sent a proxy or voting instruction form (''**VIF**'') and a request for financial statements form. Copies of these documents (other than the VIF) are available under Sherritt's profile at www.sedar.com and on Sherritt's website at www.sherritt.com.

Q. When do I submit my proxy?

A. In order to be valid and acted upon at the Meeting, your proxy must be received **no later than 10:00 a.m. (Toronto time) on Friday, June 8, 2018** or no later than 10:00 a.m. on the date (excluding Saturdays, Sundays and holidays) preceding the date of an adjourned or postponed Meeting. The time limit for depositing proxies may be waived or extended by the Chairman of the Meeting at his discretion without notice.

Q. How many Shares are eligible to vote?

A. The number of Shares outstanding on the Record Date (as set forth in the accompanying Notice of Meeting) will be equal to the number of eligible votes. On the Record Date, the Corporation had 397,187,770 Shares outstanding. Shareholders are entitled to one vote in respect of each Share held on those items of business identified in the accompanying Notice of Meeting.

Q. What is the quorum for the Meeting?

A. A quorum is two or more persons present in person and entitled to vote at such meeting holding or representing by proxy not less than 25% of the votes entitled to be cast at such meeting.

Q. Are there any Shareholders who hold more than 10% of the Shares?

A. To the knowledge of the directors and executive officers of the Corporation, no one person or entity beneficially owns or exercises direction or control over, directly or indirectly, more than 10% of the Shares.

Q. Who will count the votes?

A. Votes will be counted and tabulated by AST Trust Company (Canada), the Corporation's transfer agent. Proxies are referred to Sherritt only in cases where a Shareholder clearly intends to communicate with management, the validity of the proxy is in question or where it is necessary to do so to meet the requirements of applicable law.

Q. Who can vote at the Meeting?

A. If you held Shares at the close of business on Thursday, May 3, 2018, you are eligible to vote your Shares in respect of the matters to be acted on (as noted in the accompanying Notice of Meeting) at the Meeting.

Each Share is entitled to one vote. If your Shares are held in the name of a bank, intermediary or broker (a ''**Nominee**''), please see the instructions below under the heading ''*Appointment of Proxies and Voting Instructions — Beneficial (Non-registered) Shareholder Voting*'' on page 5 of the Circular.

Q. How do I determine what type of Shareholder I am?

A. There are several steps you must take in order to vote your Shares at the Meeting. For the purpose of voting at the Meeting, you must first determine what type of Shareholder you are: a Registered Shareholder or a Beneficial (Non-registered) Shareholder.

Registered Shareholder: You are a ''Registered Shareholder'' if your Shares are held in your personal name and you are in possession of a share certificate that indicates the same.

Beneficial (Non-registered) Shareholder: The majority of Shareholders are non-registered. You are a ''Beneficial (Non-registered) Shareholder'' if your Shares are:

- held in the name of a Nominee;
- deposited with a bank, a trust, a brokerage firm or other type of institution, and such Shares have been transferred out of your name; or
- held either (a) in the name of the intermediary that the Shareholder deals with (being securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS) with which your Nominee deals.

Follow the steps in the appropriate category below once you have determined your Shareholder type. Please note that only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.

Q. How can a Registered Shareholder vote?

A. If you are a Registered Shareholder, you may vote in person or by submitting your proxy as follows:

By Mail: by completing, signing, dating and returning the enclosed proxy to the Corporation's transfer agent:

AST Trust Company (Canada)
Attention: Proxy Department
P.O. Box 721
Agincourt, Ontario
M1S 0A1

By Telephone: by dialing 1-888-489-7352 from a touch-tone phone and following the voice instructions. Please have the 13 digit control number on the enclosed proxy available as you will be prompted to enter this number for identification purposes.

By Fax: by completing, signing, dating and returning the enclosed proxy to AST Trust Company (Canada) at (416) 368-2502 or 1-866-781-3111.

By Email: by completing, signing, dating and returning the enclosed proxy to AST Trust Company (Canada) via email to proxyvote@astfinancial.com.

In Person: If you are able to join us in person for the Meeting, and wish to vote your Shares in person, you do not need to complete and return the enclosed proxy. Before the official start of the Meeting on June 12, 2018, please register with the representatives(s) from AST Trust Company (Canada), which will be acting as scrutineer at the Meeting, who will be situated at a welcome table just outside the room in which the Meeting will be held. Once you are registered with AST Trust Company (Canada), your vote will be requested and counted at the Meeting.

Proxies must be received **no later than 10:00 a.m. (Toronto time) on Friday, June 8, 2018**, or, if the Meeting is adjourned or postponed, no later than 10:00 a.m. on the date (excluding Saturdays, Sundays and holidays) preceding the date of an adjourned or postponed Meeting. Please note that your vote can only be counted if the person you appointed attends the Meeting and votes on your behalf and the proxy has been properly completed and executed.

The Shares will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Shares will be voted accordingly.

Q. How can a Beneficial (Non-registered) Shareholder vote?

A. If your Shares are not registered under your name, they will likely be registered under the name of your broker or an agent of that broker (the ''**Intermediary**''). Each Intermediary has its own procedures; please follow them carefully to ensure that your Shares are voted at the Meeting according to your instructions.

Beneficial (Non-Registered) Shareholders, including both Non-Objecting Beneficial Owners (''NOBO'') and Objecting Beneficial Owners (''OBO'') may vote in the following ways:

Online: by visiting www.proxyvote.com and following the instructions.

By telephone: by dialing the applicable number set out below and following the instructions

Canadian NOBO/OBO Shareholders: 1-800-474-7493 (English) or 1-800-474-7501 (French).

US NOBO/OBO Shareholders: 1-800-454-8683.

In Person: if you are able to join us in person for the Meeting, and wish to vote your Shares in person you may do so by either (i) inserting your own name in the space provided on the enclosed VIF or form of proxy provided by your Nominee or (ii) submitting any other document in writing to your Nominee that requests that the Beneficial (Non-registered) Shareholder or nominees thereof should be appointed as proxy. Then, follow the signing and return instructions provided by your Nominee. If you do not properly follow the return instructions provided by your Nominee, you may not be able to vote such Shares. Before the official start of the Meeting on June 12, 2018, please register with the representatives(s) from AST Trust Company (Canada), who will be situated at a welcome table just outside the Meeting room. Once you are registered with AST Trust Company (Canada), and, provided the instructions you provided to your Nominee have been forwarded by your nominee to AST Trust Company (Canada), your vote will be requested and counted at the Meeting.

Additionally, Sherritt may use Broadridge Financial Services (''**Broadridge**'') QuickVote™ service to assist non-registered shareholders with voting their shares. Non-registered shareholders may be contacted by Kingsdale to conveniently obtain voting instructions directly over the telephone. Broadridge then tabulates the results of all of the instructions received and then provides the appropriate instructions respecting the shares to be represented at the Meeting.

Late proxies from non-registered holders may be accepted or rejected by the Chairman of the Meeting at his or her discretion, and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his or her discretion, without notice.

If you have any questions or need assistance completing your proxy or VIF, please call Kingsdale Advisors at 1-800-749-9197 toll-free in North America, collect at 416-867-2272 outside of North America, or email at contactus@kingsdaleadvisors.com.

Q. How do I appoint someone else to vote for me?

A. If you are not able to attend the Meeting in person, or if you wish to appoint a representative to vote on your behalf, you have the right to appoint a person or entity, who may or may not be a Shareholder of the Corporation, to attend and represent you at the Meeting and vote on your behalf. You do this by appointing them as your proxyholder as described below.

Use the accompanying form of proxy or another proper form of proxy. The persons named in the accompanying proxy are officers of the Corporation and are nominees of management. You can choose to have management's appointee vote your Shares or may appoint a person or entity (who need not be a Shareholder of the Corporation) of your choice by striking out the printed names and inserting the desired person's name and address in the blank space provided. Complete the balance of the proxy, sign it and return it to AST Trust Company (Canada) at the address indicated above. Please note that your vote can only be counted if the person you appointed attends the Meeting and votes on your behalf and the proxy has been properly completed and executed.

You may not vote both by proxy and in person. If you have voted by proxy, you will not be able to vote your Shares in person at the Meeting, unless you revoke your proxy (see ''*Appointment of Proxies and Voting Instructions — Registered Shareholder Voting — Revoking your Proxy*'' on page 5).

Q. How will my proxy be voted?

A. If either Mr. David Pathe or Mr. Andrew Snowden, management's nominees as indicated on the enclosed proxy, are appointed as your proxyholder, and you do not specify how you wish your Shares to be voted, your Shares will be voted as follows:

- **FOR** the reappointment of auditors named in the Circular and the authorization of the directors to fix remuneration of the auditors;
- **FOR** the Say-on-Pay Resolution; and
- **FOR** the Sherritt Nominees named in Circular for election to the Board.

YOUR VOTE IS VERY IMPORTANT — SUBMIT YOUR PROXY TODAY. FOR ASSISTANCE VOTING YOUR PROXY PLEASE CONTACT KINGSDALE ADVISORS BY TOLL-FREE TELEPHONE IN NORTH AMERICA AT 1-800-749-9197 OR COLLECT CALL OUTSIDE NORTH AMERICA AT 416-867-2272, OR BY E-MAIL AT CONTACTUS@KINGSDALEADVISORS.COM.

Q. What if I want to revoke my proxy?

A. You may revoke your proxy at any time before it is acted on. In order to revoke your proxy, you must send a written statement indicating your wish to have your proxy revoked. This written statement must be received by AST Trust Company (Canada) at the address indicated on the accompanying Notice of Meeting at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement of the Meeting, or with the Chairman of the Meeting prior to Meeting's commencement on the day of the Meeting or any adjournment or postponement of the Meeting, or in any other manner permitted by law.

Q. Who should I contact for more information or assistance in voting my Shares?

A. If you have any questions, please contact Kingsdale Advisors by toll-free telephone in North America at 1-800-749-9197 or collect call outside North America at 416-867-2272, or by e-mail at contactus@kingsdaleadvisors.com.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

The information contained in this Management Information Circular (the ''**Circular**'') is furnished in connection with the solicitation of proxies by management of Sherritt International Corporation (''**Sherritt**'' or the ''**Corporation**'') from registered holders of common shares of the Corporation (the ''**Shares**'') (and of voting instructions in the case of non-registered holders of Shares) to be used at the annual meeting (the ''**Meeting**'') of shareholders (''**Shareholders**'') of the Corporation to be held on June 12, 2018 at 10:00 a.m. (Toronto time) at the Metro Toronto Convention Centre, Hall 201EF, 255 Front St. West, Toronto, Ontario and at all adjournments or postponements of the Meeting, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders (the ''**Notice of Meeting**'').

The information contained in this Circular is given as at May 3, 2018, except where otherwise noted.

If you have any questions about information contained in this Circular or require assistance in completing your proxy, please consult your professional advisors or contact the Corporation's proxy solicitation agent, Kingsdale Advisors (''**Kingsdale**'') by toll-free telephone in North America at 1-800-749-9197 or collect call outside North America at 416-867-2272, or by email at contactus@kingsdaleadvisors.com.

BUSINESS OF THE MEETING

The annual business to be considered at the Meeting is as follows:

1. receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2017, together with the report of the external auditor thereon;
2. re-appoint the external auditor for the ensuing year and authorize the directors to fix the external auditor's compensation;
3. consider the following advisory (non-binding) resolution: ''resolved, on an advisory basis and not to diminish the roles and responsibilities of the Board, that the Shareholders accept the approach to executive compensation disclosed in this Circular'' (the ''**Say-on-Pay Resolution**'');
4. elect directors; and
5. transact such other business, if any, as may properly come before the Meeting or any adjournment or postponement thereof.

Annual Business

1. Presentation of Financial Statements and Auditors' Report

The Shareholders will be asked to receive the audited consolidated financial statements of the Corporation and the notes thereto, which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016 and January 1, 2017, and the consolidated statements of comprehensive (loss) income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flow for the years ended December 31, 2017 and December 31, 2016, together with the report of the auditor thereon.

2. Appointment of Auditor

The auditor of the Corporation is Deloitte LLP, Chartered Professional Accountants, Chartered Accountants, Licensed Public Accountants (''**Deloitte LLP**''). Deloitte LLP has served as auditor of the Corporation since November 1995.

Deloitte LLP is independent with respect to the Corporation and its subsidiaries within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The aggregate fees paid for professional services rendered by Deloitte LLP, for the year ended December 31, 2017 and the year ended December 31, 2016, are presented below:

Fees	2017	2016
Audit fees(1)	$2,806,000	$2,828,000
Audit-related fees(2)	$ 135,000	$ 9,000
Tax-related fees(3)	$ 306,000	$ 359,000
Other fees(4)	$ 57,000	$ 22,000
Total fees	$3,304,000	$3,218,000

Notes:

(1) Audit fees consist of fees for the audit and review of the Corporation's annual and quarterly consolidated financial statements, respectively, or services that are normally provided in connection with statutory and regulatory filings or engagements. During 2017 and 2016, the services provided in this category included research of accounting and audit-related issues and assurance audits.

(2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's consolidated financial statements and are not reported as audit fees.

(3) Tax-related fees consist of fees for assistance and advice in relation to the preparation of corporate income tax returns and expatriate services, other tax compliance and advisory services.

(4) Other fees related to training and development, and strategic consulting services.

Approval of the resolution to reappoint Deloitte LLP to serve as external auditor of the Corporation for the ensuing year and for authorization of the directors to fix the external auditor's compensation will require an affirmative vote of a majority of the votes cast at the Meeting.

Board Recommendation

> ***The Board of Directors (the ''Board'') recommends that Shareholders vote FOR the reappointment of Deloitte LLP to serve as external auditor of the Corporation for the ensuing year and the authorization of the directors to fix the external auditor's compensation, and unless a proxy specifies that the Shares it represents are to be voted against the matter proposed above, the proxyholders named in the accompanying proxy intend to vote FOR the reappointment of Deloitte LLP to serve as external auditor of the Corporation for the ensuing year and for authorization of the directors to fix the external auditor's compensation.***

3. Say-on-Pay Resolution

Sherritt's executive compensation policies and procedures are based on the principle of pay for performance designed to align the interests of Sherritt's executive team with the long-term interests of Shareholders. This non-binding advisory shareholder resolution, commonly known as a ''say-on-pay'' resolution, gives Shareholders the opportunity to endorse or not endorse Sherritt's approach to its executive pay program and policies. Such resolutions are increasingly common in Canadian practice and the inclusion of a ''say-on-pay'' vote at this Meeting reflects Sherritt's continued commitment to corporate governance best practices.

Because this vote is advisory, it will not be binding upon the Board. However, the Board will review the results of this advisory vote and will consider the outcome when considering future executive compensation arrangements. If a significant number of the Shares represented in person or by proxy at the Meeting are voted against this advisory resolution, the Board will review the approach to executive compensation and any concerns expressed by Shareholders in the context of such vote.

Following such review by the Board, the Corporation intends to disclose a summary of the process undertaken by the Board and an explanation of any changes being implemented in relation to the Corporation's executive compensation (see the letter from the Chair of the Human Resources Committee at page 32 below for a more detailed description of the process undertaken by the Board in 2017 following last year's annual meeting and executive compensation changes to be implemented in 2018).

Shareholders are encouraged to read the section in this circular entitled ''*Compensation Discussion & Analysis*'' at page 35 below. The results of the Say-on-Pay advisory vote will be disclosed as part of the report on voting results for the Meeting. Shareholders supported the executive compensation approach in 2016 by voting 58.60% ''FOR'' and 41.40% ''AGAINST'' the say-on-pay resolution at the 2017 annual meeting of Shareholders.

Resolution

The text of the Say-on-Pay Resolution is as follows:

> **RESOLVED THAT:**
>
> on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the Shareholders accept the approach to executive compensation disclosed in the Management Information Circular of the Corporation delivered in connection with the 2018 annual meeting of Shareholders of the Corporation.

Approval of the above resolution will require an affirmative vote of a majority of the votes cast at the Meeting.

Board Recommendation

> ***The Board recommends that Shareholders vote FOR Sherritt's approach to executive compensation, as described in the Compensation Discussion & Analysis section of this Circular, and unless a proxy specifies that the Shares it represents are to be voted against the matter proposed above, the proxyholders named in the accompanying proxy intend to vote FOR the Say-on-Pay Resolution.***

4. Election of Directors

Sherritt's current Board is strong, independent and experienced with sound corporate governance practices. The eight Sherritt Nominees bring a robust mix of expertise across disciplines and industry sectors, including strengths in the mining and/or resource industry, international business, government relations, capital projects, reserve evaluation, enterprise management, financial literacy and reporting, corporate governance, operations, human resources/executive compensation, environment, health, safety and sustainability, risk management/evaluation, finance and mergers and acquisitions, and board leadership.

The Board has fixed the number of directors to be elected for the current year at eight. The term of office of each director so elected will expire at the next annual meeting of the Shareholders unless the director shall resign the office or the office becomes vacant by death, removal or other cause at an earlier date.

All of the directors nominated for election (the ''**Sherritt Nominees**'') are currently directors. Management of the Corporation does not contemplate that any of the Sherritt Nominees will be unable, or for any reason will become unwilling, to serve as a director. Should this occur for any reason prior to the Meeting, the persons named in the accompanying proxy or the VIF reserve the right to vote for another nominee, at their discretion, unless the Shareholder has specified in the form of proxy or the VIF that the Shares are to be withheld from voting in the election of any of the directors.

The section entitled ''*Information Concerning the Current Board and Sherritt Nominees for Election of Directors*'' below, provides detailed information with respect to each of the Sherritt Nominees.

Majority Voting Policy

Shareholders can vote FOR or WITHHOLD from voting separately for each nominee director. In 2009, the Board adopted a majority voting policy for the election of directors, which was subsequently updated in 2016. Under the terms of the policy, if a nominee receives more ''withhold'' votes than ''for'' votes at a meeting that is not a contested meeting, the nominee will immediately submit his or her resignation to the Board. The Nominating and Corporate Governance Committee will recommend acceptance of the resignation barring exceptional circumstances which would warrant the director to continue to serve on the Board. Such director will not participate in any Board or committee deliberations on the matter. The resignation will be effective when accepted by the Board. The Board's decision (including, if the resignation is not accepted due to exceptional circumstances, the reason for not accepting it) will be announced in a press release within 90 days of the annual meeting where such election was held. A copy of such press release will also be provided to the Toronto Stock Exchange. If the Board accepts the resignation, it may appoint a new director to fill the vacancy.

A contested meeting is defined as a meeting at which the number of directors nominated for election is greater than the number of seats available on the Board. As the Meeting is not a contested meeting, the Corporation's Majority Voting Policy will apply.

At the 2017 annual meeting of Shareholders, each of the seven Sherritt Nominee directors nominated at that time were elected by a substantial majority. For the number of votes cast FOR and WITHHELD from each director at the Corporation's 2017 annual general meeting, please see the voting results filed on SEDAR at www.sedar.com. Voting results for each of the Sherritt Nominees elected at the 2017 annual meeting can also be found under ''*Information concerning the current Board and Sherritt Nominees for elections as Directors — Sherritt Nominees*'' below.

Board Recommendation

> ***The Board recommends that Shareholders vote FOR the Sherritt Nominees for election to the Board: Timothy Baker, Maryse Belanger, R. Peter Gillin, Sir Richard Lapthorne, Adrian Loader, Lisa Pankratz, David Pathe and John Warwick. The proxyholders named in the accompanying proxy intend to vote FOR the Sherritt Nominees.***

APPOINTMENT OF PROXIES AND VOTING INSTRUCTIONS

REGISTERED SHAREHOLDER VOTING

You are a "**Registered Shareholder**" if your Shares are held in your personal name and you are in possession of a share certificate that indicates the same. If you are a Registered Shareholder, you may vote in person at the Meeting, you may appoint another person to represent you as proxyholder and vote your Shares at the Meeting or may vote by internet and telephone. If you wish to attend the Meeting, you may complete and return the enclosed proxy or you may vote in person at the Meeting. Please register with the scrutineers, being the Corporation's transfer agent, AST Trust Company (Canada), when you arrive at the Meeting. If you wish to vote by internet or telephone, please see the enclosed proxy for further instructions.

To Vote by Proxy

If you are not able to attend the Meeting in person, or if you wish to appoint a representative to vote on your behalf, you have the right to appoint a person or entity other than the person designated in the proxy, who may or may not be a Shareholder, to represent you at the Meeting and vote on your behalf. You do this by appointing them as your proxyholder in writing in the proxy or another form of proxy as described below.

Use the enclosed proxy or another proper form of proxy. The persons named in the accompanying proxy are officers of the Corporation and are nominees of management. **You can choose to have management's appointee vote your Shares or may appoint a person or entity of your choice by striking out the printed names and inserting the desired person's name and address in the blank space provided.**

Registered Shareholders may vote in any of the following ways:

By Mail: by completing, signing, dating and returning the enclosed proxy to the Corporation's transfer agent:

AST Trust Company (Canada)
Attention: Proxy Department
P.O. Box 721
Agincourt, Ontario
M1S 0A1

By Telephone: by dialing 1-888-489-7352 from a touch-tone phone and following the voice instructions. Please have the 13 digit control number on the enclosed proxy available as you will be prompted to enter this number for identification purposes.

By Fax: by completing, signing, dating and returning the enclosed proxy to AST Trust Company (Canada) at (416) 368-2502 or 1-866-781-3111.

By Email: by completing, signing, dating and returning the enclosed proxy to AST Trust Company (Canada) via email to proxyvote@astfinancial.com.

In Person: If you are able to join us in person for the Meeting, and wish to vote your Shares in person, you do not need to complete and return the enclosed proxy. Before the official start of the Meeting on June 12, 2018, please register with the representatives(s) from AST Trust Company (Canada), which will be acting as scrutineer at the Meeting, who will be situated at a welcome table just outside the room in which the Meeting will be held. Once you are registered with AST Trust Company (Canada), your vote will be requested and counted at the Meeting.

Proxies must be received **no later than 10:00 a.m. (Toronto time) on Friday, June 8, 2018**, or, if the Meeting is adjourned or postponed, no later than 10:00 a.m. on the date (excluding Saturdays, Sundays and holidays) preceding the date of an adjourned or postponed Meeting. Please note that your vote can only be counted if the person you appointed attends the Meeting and votes on your behalf and the proxy has been properly completed and executed.

Voting your Proxy

The management representatives designated in the enclosed proxy will vote for or against or withhold from voting your Shares in respect of which they are appointed by proxy on any vote that may be called for in accordance with your instructions as indicated on the proxy and, if you specify a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

In the absence of any direction in your proxy, your Shares will be voted by the management representatives:

- **FOR** the reappointment of auditors named in this Circular and the authorization of the directors to fix remuneration of the auditors;
- **FOR** the Say-on-Pay Resolution; and
- **FOR** the Sherritt Nominees for election to the Board.

The accompanying proxy confers discretionary authority upon the management representatives designated in the form of proxy with respect to voting on amendments to matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting. At the date of this Circular, the directors and management of the Corporation know of no such amendments, variations or other matters.

Revoking your Proxy

If you have submitted a proxy and later wish to revoke it, you can do so by re-voting your proxy online, by fax or by completing and signing a proxy bearing a later date and sending it to AST Trust Company (Canada). Your vote must be received **no later than 10:00 a.m. (Toronto time) on Friday, June 8, 2018**. A later dated proxy automatically revokes any previously submitted proxy. You can also send a written statement indicating you wish to have your proxy revoked. This written statement must be received by AST Trust Company (Canada) at Proxy Department, P.O. Box 721 Agincourt, Ontario M1S 0A1, (i) at any time up to 10:00 a.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used; (ii) with the Chairman of the Meeting before the Meeting starts on the day of the Meeting or any adjournment or postponement thereof; or (iii) in any other manner permitted by law.

BENEFICIAL (NON-REGISTERED) SHAREHOLDER VOTING

If your Shares are not registered under your name, they will likely be registered under the name of your broker or an agent of that broker (the ''**Intermediary**''). Each Intermediary has its own procedures; please follow them carefully to ensure that your shares are voted at the Meeting according to your instructions.

Beneficial (Non-Registered) Shareholders, including both Non-Objecting Beneficial Owners (''NOBO'') and Objecting Beneficial Owners (''OBO'') may vote in the following ways:

Online: by visiting www.proxyvote.com and following the instructions.

By telephone: by dialing the applicable number set out below and following the instructions

Canadian NOBO/OBO Shareholders: 1-800-474-7493 (English) or 1-800-474-7501 (French).

US NOBO/OBO Shareholders: 1-800-454-8683.

In Person: if you are able to join us in person for the Meeting, and wish to vote your Shares in person you may do so by either (i) inserting your own name in the space provided on the enclosed VIF or form of proxy provided by your Nominee or (ii) submitting any other document in writing to your Nominee that requests that the Beneficial (Non-registered) Shareholder or nominees thereof should be appointed as proxy. Then, follow the signing and return instructions provided by your Nominee. If you do not properly follow the return instructions provided by your Nominee, you may not be able to vote such Shares. Before the official start of the Meeting on June 12, 2018, please register with the representatives(s) from AST Trust Company (Canada), who will be situated at a welcome table just outside the Meeting room. Once you are registered with AST Trust Company (Canada), and, provided the instructions you provided to your Nominee have been forwarded by your nominee to AST Trust Company (Canada), your vote will be requested and counted at the Meeting.

Additionally, Sherritt may use Broadridge Financial Services (''**Broadridge**'') QuickVote™ service to assist non-registered shareholders with voting their shares. Non-registered shareholders may be contacted by Kingsdale to conveniently obtain voting instructions directly over the telephone. Broadridge then tabulates the results of all of the instructions received and then provides the appropriate instructions respecting the shares to be represented at the Meeting.

Late proxies from non-registered holders may be accepted or rejected by the Chairman of the Meeting at his discretion, and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion, without notice.

If you have any questions or need assistance completing your proxy or VIF, please call Kingsdale Advisors at 1-800-749-9197 toll-free in North America, collect at 416-867-2272 outside of North America, or email at contactus@kingsdalesadvisors.com.

Whether you choose to vote your beneficially held Shares by proxy, VIF or in person, you must carefully follow the instructions that accompany either the VIF or proxy, including those regarding when and where the VIF or proxy is to be delivered, and the deadline for delivery.

Revoking Voting Instructions

If you have submitted a VIF and later wish to revoke it, you can do so by re-voting your VIF online, by fax or by completing and signing a VIF bearing a later date and sending it to the address set out on the VIF. Your vote must be received **no later than 10:00 a.m. (Toronto time) on Friday, June 8, 2018**. A later dated VIF automatically revokes any previously submitted VIF. You can also revoke by following the procedures provided by your Nominee. Your Nominee must send a written statement indicating you wish to have your voting instructions revoked. This written statement must be received by AST Trust Company (Canada) at Proxy Department, P.O. Box 721 Agincourt, Ontario M1S 0A1, (i) at any time up to 10:00 a.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used; (ii) with the Chairman of the Meeting before the Meeting starts on the day of the Meeting or any adjournment or postponement thereof; or (iii) in any other manner permitted by law.

SHARES

The authorized capital of the Corporation consists of an unlimited number of Shares. As of May 3, 2018, the Corporation had 397,187,770 Shares issued and outstanding. Each Shareholder of record at the close of business on May 3, 2018, the record date (the ‘‘**Record Date**’’) established for notice of the Meeting and for voting, will be entitled to vote on all matters proposed to come before the Meeting on the basis of one vote for each Share held. A quorum for the transaction of business at the Meeting will consist of two or more individuals present in person and each being entitled to vote thereat, representing in person or by proxy at least 25% of the total number of Shares entitled to vote at a meeting of Shareholders.

PRINCIPAL HOLDER OF VOTING SECURITIES

To the knowledge of the directors and executive officers of the Corporation, no one person or entity beneficially owns or exercises direction or control over, directly or indirectly, more than 10% of the Shares.

INFORMATION CONCERNING THE CURRENT BOARD AND SHERRITT NOMINEES FOR ELECTION AS DIRECTORS

SHERRITT NOMINEES

The tables below provide information about each of the Sherritt Nominee directors to assist Shareholders with their voting decisions. The tables include information regarding each director's other directorships, membership on Board committees, attendance record in 2017, experience, areas of expertise, amount of securities of the Corporation each held as of December 31, 2017 and the number of votes each received at the last annual meeting of the Shareholders. Seven of the eight Sherritt Nominees are *independent*, as defined by applicable securities laws, which means they are independent of management. A nominated director is *non-independent* if the director has a direct or indirect material relationship that the Board believes could be reasonably expected to interfere with such director's ability to exercise independent judgment. Mr. Pathe is non-independent as he serves as President and Chief Executive Officer of the Corporation. Seven of the eight Sherritt Nominees were elected at the 2017 annual meeting and one of the Sherritt Nominees, Maryse Belanger, joined the Board in February, 2018.

Timothy Baker
Director

Residence: Ontario, Canada

Age: 66

Director Since:
May 6, 2014

Independent

Mr. Baker has served as a director of the Corporation since May 2014. He currently serves as a director of Antofagasta PLC (where he is a member of the Compensation Committee) and Rye Patch Gold Corp., as well as being the Chairman of Golden Star Resources Ltd. Mr. Baker retired from his positions as Executive Vice President and Chief Operating Officer of Kinross Gold Corporation in October 2010. Prior to joining Kinross in 2006, Mr. Baker was with Placer Dome, where he served in several key roles including Executive General Manager of Placer Dome Chile and of Placer Dome Tanzania, and Senior Vice President of the copper producing Compañia Minera Zaldivar. Mr. Baker also served as a director of Pacific Rim Mining Corp. (until November 2013), Augusta Resource Corporation (until October 2014) and Eldorado Gold Corporation (until December 2012). Mr. Baker holds a B.Sc. (Geology) and the ICD.D certification from the Institute of Corporate Directors.

Board/Committee Membership	Overall Attendance in 2017		Areas of Expertise
Board of Directors	6 of 7	86%	• Mining and/or Resource Industry • International Business • Capital Projects • Reserve Evaluation • Operations • Human Resources/Executive Compensation • Environment, Health, Safety & Sustainability • Risk Management/Evaluation • Board Leadership
Environment, Health, Safety and Sustainability (*Chair*)	4 of 4	100%	
Human Resources (joined committee in June 2017)	4 of 4	100%	
Nominating and Corporate Governance	3 of 4	75%	
Reserves	3 of 3	100%	

Other Public Board Memberships in the Past Five Years

Augusta Resources Corporation (until October 2014)
Antofagasta PLC
Golden Star Resources Ltd.
Rye Patch Gold Corp.
Pacific Rim Mining Corp. (until September 2013)

Public Board Interlocks:

None

Securities Held[(2)(3)]

Year	Shares	Director deferred share units ("DDSUs")	Total Shares and DDSUs	Total Value of Shares and DDSUs[(4)]	Minimum Ownership Met[(5)]
2017	22,100	280,597	302,697	$505,784	Yes
2016	22,100	197,585	219,685	$372,420	In Progress

Options Held:

None

Voting Results of 2017 Annual Meeting[(7)]	Votes For	Votes Withheld	Total Votes Cast
# of votes	108,917,733	6,762,978	115,680,711
% of votes	94.15	5.85	100

Maryse Belanger
Director

Residence:
British Columbia,
Canada

Age: 56

Director Since:
February 7, 2018

Independent

Ms. Belanger has served as a director of the Corporation since February 2018. She has more than 30 years of experience in the global mining sector, with proven strengths in operational excellence, technical services and efficiency. Currently, she is Chief Operating Officer of Atlantic Gold Corp., where she is responsible for the overall operational and technical management of the company. Previously, Ms. Belanger served as the Chief Executive Officer and Managing Director of Mirabela Nickel Ltd., where she led the restructuring of the Santa Rita open pit nickel operations in Brazil. Ms. Belanger holds a Bachelor of Science in Geology from Université du Québec à Chicoutimi, a graduate certificate in Geostatistics and the ICD.D certification from the Institute of Corporate Directors. She is fluent in English, French, Spanish and Portuguese.

Board/Committee Membership	Overall Attendance in 2017		Areas of Expertise
Board of Directors	N/A	N/A	• Mining and/or Resource Industry • International Business • Government Relations • Capital Projects • Reserve Evaluation • Enterprise Management • Operations • Human Resources/Executive Compensation • Environment, Health, Safety and Sustainability • Risk Management/Evaluation • Board Leadership

Other Public Board Memberships in the Past Five Years

Atlantic Gold Corporation
Plateau Uranium Inc.
True Gold Mining Inc. (until its acquisition by Endeavour Mining Corporation in 2016)
Newmarket Gold Inc. (until its acquisition by Kirkland Lake Gold Inc. in 2016)
Mirabela Nickel Limited (until June 2016)

Public Board Interlocks:

None

Securities Held[(2)(3)]

Year	Shares	DDSUs	Total Shares and DDSUs	Total Value of Shares and DDSUs[(4)]	Minimum Ownership Met[(5)(6)]
2017	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A

Options Held:

None

Voting Results of 2017 Annual Meeting[(7)]	Votes For	Votes Withheld	Total Votes Cast
# of votes	N/A	N/A	N/A
% of votes	N/A	N/A	N/A

R. Peter Gillin
Lead Director and Director

Residence: Ontario, Canada

Age: 69

Director Since: January 1, 2010

Independent

Mr. Gillin has served as a director of the Corporation since January 1, 2010 and has been Lead Director of the Corporation since June 13, 2017. He is currently a director of Wheaton Precious Metals Inc., Dundee Precious Metals Inc., TD Mutual Funds Corporate Class Ltd. and Turquoise Hill Resources Ltd. (formerly Ivanhoe Mines Inc.) and has been a member of the Independent Review Committee of TD Asset Management Inc. since 2003. Mr. Gillin is a member of the Compensation Committees of the Silver Wheaton Inc. and Dundee Precious Metals Inc. and is also the Chairman of the board of directors of Turquoise Hill Resources Ltd. Mr. Gillin also served as a director of HudBay Minerals Inc. from April 2008 to March 2009.

From October 2002 to March 2003, Mr. Gillin was President and Chief Executive Officer of Zemex Corp, an industrial minerals producer. Prior thereto, Mr. Gillin served as Vice Chairman of NM Rothschild and Sons Canada Limited. Mr. Gillin is a CFA and also holds the ICD.D certification from the Institute of Corporate Directors.

Board/Committee Membership	Overall Attendance in 2017		Areas of Expertise
Board of Directors	7 of 7	100%	• Mining and/or Resource Industry
Audit (until June 2017)	3 of 3	100%	• International Business
Human Resources (until June 2017)	3 of 3	100%	• Capital Projects • Enterprise Management
Environment, Health, Safety and Sustainability (joined committee in June 2017)	2 of 2	100%	• Financial Literacy and Reporting • Operations • Human Resources/Executive Compensation
Nominating and Corporate Governance	4 of 4	100%	• Risk Management/Evaluation • Finance and M&A • Board Leadership

Other Public Board Memberships in the Past Five Years[1]

Dundee Precious Metals Inc.
Silver Wheaton Corp.
Turquoise Hill Resources Ltd. (formerly Ivanhoe Mines Inc.)

Public Board Interlocks:

None[1]

Securities Held[2][3]

Year	Shares	DDSUs	Total Shares and DDSUs	Total Value of Shares and DDSUs[4]	Minimum Ownership Met[5]
2017	25,380	328,719	354,099	$885,929	Yes
2016	25,380	245,707	271,087	$615,783	Yes

Options Held:

None

Voting Results of 2017 Annual Meeting[7]	Votes For	Votes Withheld	Total Votes Cast
# of votes	102,947,457	12,706,254	115,653,711
% of votes	89.02	10.98	100

Sir Richard Lapthorne
Director

Residence:
Buckinghamshire,
United Kingdom

Age: 75

Director Since:
September 14, 2011

Independent

Sir Richard Lapthorne has served as a director of the Corporation since September 2011. Sir Richard is currently the Chairman of CPPGroup plc, a company focusing on the provision of life assistance products, and has served as a Finance Director or as Chairman of various FTSE 100 and non-quoted companies in the United Kingdom since 1986, and is a past advisor to and Chair of the Public Interest Body of PricewaterhouseCoopers. He was the Chairman of Cable & Wireless Communications plc and Cable & Wireless plc. until 2016. Between June 2009 and April 2010, he served as Chairman of McLaren Group Limited. From 1996 to May 2003 he was Chairman of Amersham International plc (now GE Healthcare) having joined its board as a Non-executive Director in 1989. He was Finance Director of British Aerospace plc from July 1992 and Vice Chairman from April 1998 until his retirement in 1999. He is also a fellow of each of the Chartered Institute of Management Accountants, Chartered Institute of Certified Accountants and the Institute of Corporate Treasurers in the United Kingdom.

Board/Committee Membership	**Overall Attendance in 2017**		**Areas of Expertise**
Board of Directors	7 of 7	100%	• International Business • Government Relations • Capital Projects • Enterprise Management • Financial Literacy and Reporting • Corporate Governance • Operations • Human Resources/Executive Compensation • Risk Management/Evaluation • Finance and M&A • Board Leadership
Audit	5 of 5	100%	
Nominating and Corporate Governance (*Chair*)	4 of 4	100%	

Other Public Board Memberships in the Past Five Years

CPPGroup plc
Cable & Wireless Communications plc (Chairman) (until 2016)
Cable & Wireless plc (Chairman) (until 2016)

Public Board Interlocks:

None

Securities Held(2)(3)

Year	**Shares**	**DDSUs**	**Total Shares and DDSUs**	**Total Value of Shares and DDSUs(4)**	**Minimum Ownership Met(5)**
2017	45,500	313,769	359,269	$921,425	Yes
2016	45,500	230,757	276,257	$731,517	Yes

Options Held:

None

Voting Results of 2017 Annual Meeting(7)	**Votes For**	**Votes Withheld**	**Total Votes Cast**
# of votes	102,753,369	12,927,342	115,680,711
% of votes	88.82	11.18	100

Adrian Loader
Director

Residence: London, England

Age: 69

Director Since:
July 29, 2013

Independent

Mr. Loader has served as a director of the Corporation since July 2013. He has extensive international experience from Royal Dutch Shell in energy management, projects, strategy, business development and new market entry. Mr. Loader held regional responsibility for Royal Dutch Shell's operations in Latin America/ Africa, Middle East/Far East and Europe. He was subsequently the Royal Dutch Shell Director responsible for Strategy and Business Development, as well as for Scenarios, Group Planning, Health, Safety & Environment, and External Affairs. Before retiring from Royal Dutch Shell at the end of 2007, Mr. Loader served as President and Chief Executive Officer of Shell Canada (''**Shell Canada**'') where he was responsible, inter alia, for Shell Canada's oil sands open pit mining activities and their expansion. Mr. Loader has served on the following public company boards — Alliance Unichem, Shell Canada Ltd., Alliance Boots, Candax Energy Inc. and Compton Petroleum. In January 2008, he joined the Board of Toronto based Candax Energy Inc. and was Chairman until June 2010. He then served as Chairman of Compton Petroleum, Calgary, until August 2012 and was also Chairman of the Board of Directors of Oracle Coalfields PLC, London (an international coal developer in Pakistan) from 2011 to 2016. He is currently a director of LarfargeHolcim Ltd. (a Swiss global supplier of cement and aggregates) and Alderon Iron Ore Corp. (a Canadian iron ore project developer), as well as the Chairman of Resero Gas Limited (a private UK company developing LNG to power projects). Mr. Loader is a Fellow of the Chartered Institute of Personnel and Development and holds a Master's degree in History from Cambridge University, England.

Board/Committee Membership	Overall Attendance in 2017		Areas of Expertise
Board of Directors	6 of 7	86%	• Mining and/or Resource Industry • International Business • Government Relations • Capital Projects • Reserve Evaluation • Enterprise Management • Corporate Governance • Operations • Human Resources/Executive Compensation • Environment, Health, Safety and Sustainability • Risk Management/Evaluation • Finance and M&A • Board Leadership
Human Resources (*Chair*)	7 of 7	100%	
Nominating and Corporate Governance	3 of 4	75%	
Reserves (*Chair*)	3 of 3	100%	

Other Public Board Memberships in the Past Five Years

Alderon Iron Ore Corp.
Oracle Coalfields plc (Chairman)
LaFargeHolcim

Public Board Interlocks:

None

Securities Held(2)(3)

Year	Shares	DDSUs	Total Shares and DDSUs	Total Value of Shares and DDSUs(4)	Minimum Ownership Met(5)
2017	19,000	297,689	316,689	$658,373	Yes
2016	19,000	214,677	233,677	$468,466	Yes

Options Held:

None

Voting Results of 2017 Annual Meeting(7)	Votes For	Votes Withheld	Total Votes Cast
# of votes	102,790,420	12,890,291	115,680,711
% of votes	88.86	11.14	100

Lisa Pankratz
Director

Residence: British Columbia, Canada

Age: 57

Director Since: November 13, 2013

Independent

Ms. Pankratz has over 30 years of experience in the investment industry and capital markets in both executive and advisory capacities working with multinational and international companies. For over 16 years, she has served as a board member of corporations in the financial services and global media industries. Ms. Pankratz currently sits on the board of CIR Investment Research Ltd., which is not publicly listed. Ms. Pankratz is also the Chair of UBC Investment Management Trust Inc., which is not publicly listed. She is also a member of the HSBC Independent Review Committee of HSBC Global Asset Management (Canada) Limited.

She previously served on the boards of IA Clarington Investments Inc. (2011-2017), the Canadian Museum for Human Rights (2009-2017), Canwest Global Communications Corp. (2005-2010), Canwest Media, Inc. (2005-2008), the Insurance Corporation of British Columbia (2001-2007) and was a member of the Accounting Policy and Advisory Committee advising the Ministry of Finance for the Province of British Columbia (2002-2004). From 2006 until 2010, Ms. Pankratz served as the President of Mackenzie Cundill Investment Management Ltd. and from 2002-2006 as the President, Chief Compliance Officer and Director of Cundill Investment Research Ltd. and the Chief Compliance Officer of The Cundill Group.

Ms. Pankratz is a Fellow of the Institute of Chartered Professional Accountants of British Columbia and a Chartered Financial Analyst charter holder. She received an Honours Bachelor of Arts in Business Administration from the Richard Ivey School of Business at the University of Western Ontario.

Board/Committee Membership	Overall Attendance in 2017		Areas of Expertise
Board of Directors	7 of 7	100%	• International Business
Audit (*Chair*)	5 of 5	100%	• Capital Projects
Environment, Health, Safety and Sustainability (until June 2017)	2 of 2	100%	• Enterprise Management • Financial Literacy and Reporting • Corporate Governance
Human Resources (joined committee in June 2017)	4 of 4	100%	• Operations • Human Resources/Executive Compensation
Nominating and Corporate Governance	4 of 4	100%	• Risk Management/Evaluation • Finance and M&A

Other Public Board Memberships in the Past Five Years

None

Public Board Interlocks:

None

Securities Held(2)(3)

Year	Shares	DDSUs	Total Shares and DDSUs	Total Value of Shares and DDSUs(4)	Minimum Ownership Met(5)
2017	29,300	291,562	320,862	$636,176	Yes
2016	29,300	208,550	237,850	$446,268	In progress

Options Held:

None

Voting Results of 2017 Annual Meeting(7)	Votes For	Votes Withheld	Total Votes Cast
# of votes	102,769,528	12,911,183	115,680,711
% of votes	88.84	11.16	100

David V. Pathe
Chairman, President and Chief Executive Officer and Director

Residence: Ontario, Canada

Age: 47

Director Since: January 1, 2012

Non-Independent

Mr. Pathe was appointed as President and Chief Executive Officer of the Corporation effective January 1, 2012 and Chairman of the Board effective June 13, 2017. Prior to becoming the President and Chief Executive Officer of the Corporation, he served as Senior Vice President, Finance and Chief Financial Officer of the Corporation from March 2011, as Senior Vice President, General Counsel and Corporate Secretary from July 2009, as Vice President, General Counsel and Corporate Secretary from October 2008 and as Assistant General Counsel and Assistant Corporate Secretary from June 2007.

Board/Committee Membership	Overall Attendance in 2017		Areas of Expertise
Board of Directors	6 of 7	86%	• Mining and/or Resource Industry • International Business • Capital Projects • Enterprise Management • Financial Literacy and Reporting • Corporate Governance • Risk Management/Evaluation • Finance and M&A

Other Public Board Memberships in the Past Five Years

None

Public Board Interlocks:

None

Securities Held[2][3]

Year	Shares	Restricted Share Units ("RSUs")	Restricted Stock	Total Shares, RSUs, and Restricted Stock	Total Value of Shares, RSUs and Restricted Stock[8]	Minimum Ownership Met[9]
2017	311,956	2,070,129	0	2,382,085	$3,827,657	Yes
2016	252,045	1,977,891	27,000	2,256,936	$3,818,605	Yes

Options Held:

See charts under "*Compensation Discussion & Analysis — Summary Compensation Table*" and "*Compensation Discussion & Analysis — Executive Compensation — Incentive Plan Awards — Outstanding Option-Based Awards and Share-Based Awards*".

Voting Results of 2017 Annual Meeting[7]	Votes For	Votes Withheld	Total Votes Cast
# of votes	108,631,783	7,048,928	115,680,711
% of votes	93.91	6.09	100

John Warwick
Director

Residence: Ontario, Canada

Age: 64

Director Since: June 13, 2017

Independent

Mr. Warwick is a special advisor to Paradigm Capital Inc., as well as being a director of Canadian Zinc Corporation where he is Chairman of both the Audit and Compensation committees. Prior to 2015, he was the Managing Director, Investment Banking, founding partner and Head of Corporate Finance of Paradigm Capital Inc. where he advised and assisted companies on financing and capital structure matters.

Prior to 1999, Mr. Warwick was Executive Vice President and Vice Chairman of Gordon Capital Corporation and previously a mining analyst at Burns Fry, where he was a top-ranked base metals analyst, and Gardner Watson. Mr. Warwick is a CFA and holds an MBA from the University of Toronto.

Board/Committee Membership	Overall Attendance in 2017		Areas of Expertise
Board of Directors	4 of 4	100%	• Mining and/or Resource Industry
Audit	2 of 2	100%	• International Business
Environment, Health, Safety and Sustainability	2 of 2	100%	• Capital Projects • Enterprise Management
Nominating and Corporate Governance	2 of 2	100%	• Financial Literacy and Reporting • Human Resources/Executive Compensation • Risk Management/Evaluation • Finance and M&A • Board Leadership

Other Public Board Memberships in the Past Five Years

Canadian Zinc Corporation

Public Board Interlocks:

None

Securities Held(2)(3)

Year	Shares	DDSUs	Total Shares and DDSUs	Total Value of Shares and DDSUs(4)	Minimum Ownership Met(5)(6)
2017	0	37,169	37,169	$63,931	In progress
2016	NA	NA	NA	NA	NA

Options Held:

None

Voting Results of 2017 Annual Meeting(7)	Votes For	Votes Withheld	Total Votes Cast
# of votes	109,085,500	6,595,211	115,680,711
% of votes	94.30	5.70	100

Notes to Sherritt Nominee Tables:

(1) TD Mutual Funds Corporate Class Ltd. (TDMFCC) is a multi-class open-ended mutual fund corporation. Each class of shares is a separate TD Mutual Funds Corporate Class Fund managed by TD Asset Management Inc., a wholly-owned subsidiary of The Toronto-Dominion Bank. Each of the TDMFCC Funds is a reporting issuer, but not publicly listed. Mr. Gillin's responsibilities as a member of the TDMFCC board are not equivalent to those of a director of a publicly listed company.

(2) The information as to Shares beneficially owned or over which the foregoing directors exercise control or direction (other than restricted stock (''**Restricted Stock**'') issued to employees under the Corporation's Restricted Stock Plan), not being within the knowledge of the Corporation, has been furnished by the respective directors individually.

(3) DDSUs are granted pursuant to the Corporation's non-executive Directors' Deferred Share Unit Plan (the ''**DDSU Plan**''). The DDSU Plan has been in effect since December 6, 2002 and participation in the plan is limited to non-executive directors. DDSU holdings for 2016 and 2107 include grants made in arrears in January 2017 and 2018 for services rendered in 2016 and 2017, respectively. See ''*Information Concerning the Current Board and Sherritt Nominees for Election as Directors — Director Compensation — Director Share-Based Awards*'' for more information.

(4) Values reflect the amounts calculated for Director share ownership requirements as at December 31, 2017 and 2016, respectively. See ''*Information Concerning the Current Board and Sherritt Nominees for Election as Directors — Director Compensation — Director Share Ownership Requirements*'' for more information. For 2016, the same methodology was used and the simple average closing price was $1.40.

(5) See ''*Information Concerning the Current Board and Sherritt Nominees for Election as Directors — Director Compensation — Director Share Ownership Requirements*'' for more information regarding the share and share-based ownership requirements for non-executive directors.

(6) Ms. Belanger has until February 7, 2023 to satisfy the share ownership requirement (being the fifth anniversary of her appointment to the Board in February 2018). Mr. Warwick has until June 13, 2022 to satisfy the share ownership requirements (being the fifth anniversary of his election to the Board in June 2017). See ''*Information Concerning the Current Board and Sherritt Nominees for Election as Directors — Director Compensation — Director Share Ownership Requirements*'' for more information.

(7) Voting results from the 2017 annual meeting reflect the total number of votes cast for or withheld from voting in respect of each director who was elected at such meeting, as reported to the Corporation by the scrutineer of the meeting. Total votes cast for each director may vary and the percentage of votes reported is determined by dividing the votes cast for or withheld from voting by the total number of votes cast, for each director.

(8) Values reflect the amounts calculated for Executive SOR Holdings as at December 31, 2017 and 2016, respectively. See ''*Compensation Discussion & Analysis — Executive Compensation — Executive Share Ownership Requirements*'' for more information. For 2016, the same methodology was used and the simple average closing price was $1.40.

(9) See ''*Compensation Discussion & Analysis — Executive Compensation — Executive Share Ownership Requirements*'' for more information regarding the share and share-based ownership requirements for Mr. Pathe.

MEETING ATTENDANCE

Regular Board and committee meetings are set at least a year in advance, with special meetings being scheduled as required. The Board expects directors to attend all Board meetings and all meetings of the committees to which they are appointed, to come to such meetings fully prepared and to remain in attendance for the duration of the meetings. In 2017 there were five regularly scheduled Board meetings, four regularly scheduled Audit Committee meetings, five regularly scheduled Human Resources Committee meetings, four Environment, Health, Safety and Sustainability Committee meetings, four regularly scheduled Nominating and Corporate Governance Committee meetings and two regularly scheduled Reserves Committee meetings. All other meetings were special meetings called with limited advance notice. Unless otherwise indicated, the directors sat on the Board and their respective committees throughout 2017.

Name	Board		Audit		Human Resources		Nominating and Corporate Governance		Reserves		EHS&S	
	#	%	#	%	#	%	#	%	#	%	#	%
T. Baker[(1)]	6	86	N/A	N/A	4	100	3	75	3	100	4	100
P. Gillin[(2)]	7	100	3	100	3	100	4	100	N/A	N/A	2	100
R. Lapthorne	7	100	5	100	N/A	N/A	4	100	N/A	N/A	N/A	N/A
A. Loader	6	86	N/A	N/A	7	100	3	75	3	100	N/A	N/A
E. Marcoux[(3)]	3	100	N/A	N/A	3	100	2	100	N/A	N/A	2	100
L. Pankratz[(4)]	7	100	5	100	4	100	4	100	N/A	N/A	2	100
D. Pathe	6	86	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
H. Stephen[(3)]	2	67	N/A	N/A	N/A	N/A	2	100	N/A	N/A	N/A	N/A
J. Warwick[(5)]	4	100	2	100	N/A	N/A	2	100	N/A	N/A	2	100

Notes:

(1) Mr. Baker joined the Human Resources Committee in June 2017.

(2) Mr. Gillin sat on the Audit Committee and the Human Resources Committee until June 2017. He joined the Environment, Health, Safety and Sustainability Committee in June 2017.

(3) Ms. Marcoux and Mr. Stephen ceased sitting as Board and committee members effective June 2017.

(4) Ms. Pankratz sat on the Environment, Health, Safety and Sustainability Committee until June 2017. She joined the Human Resources Committee in June 2017.

(5) Mr. Warwick began sitting as a Board and committee member effective June 2017.

SERVING TOGETHER ON BOARDS OF OTHER PUBLIC COMPANIES

As of the date of this Circular, none of the proposed directors serve together on the board of directors of any other public company.

ORDERS AND BANKRUPTCIES

From June 2014 to June 2016, Ms. Belanger was the Chief Executive Officer and on the board of directors of Mirabela Nickel Limited (''**Mirabela**''). In September 2015, Mirabela filed for voluntary administration in Australia. Under the rules of the Australian Stock Exchange (the ''**ASX**''), there is a requirement for the directors of a listed company to confirm the entity will be a going concern for at least 18 months looking forward. The significant decline in nickel prices and Mirabela's inability to secure third-party financing that it had been discussing with potential financiers made it economically impossible for Mirabela to continue trading. As a result, the board of directors of Mirabela made the decision to enter into voluntary administration.

From October 2003 to September 2008, Mr. Gillin served as Chairman and Chief Executive Officer of Tahera Diamond Corporation (''**Tahera**''). In January 2008, Tahera filed for protection under the *Companies' Creditors Arrangement Act* (''**CCAA**''). As a consequence of its financial difficulties, Tahera failed to file financial statements for the year ended December 31, 2007 and subsequent financial periods. As a result, Tahera was delisted from the TSX in November 2009 and issuer cease trade orders were issued in 2010 by the securities regulatory authorities of Ontario, Quebec, Alberta and British Columbia, which orders have not been revoked. Tahera subsequently sold its tax assets to Ag Growth International and certain properties, including the Jericho diamond mine, to Shear Minerals Ltd. The monitoring process under the CCAA was concluded by order of the Superior Court of Justice in September 2010.

Ms. Pankratz was on the board of CanWest Global Communications Corp. (''**CanWest**'') from 2005 until her resignation in February 2010. She served on the Audit and Pension Committees of that board and was Chair of the Pension Committee from 2008 until her resignation. CanWest filed for court protection from its creditors October 2009. CanWest's newspaper subsidiary filed separately under the CCAA in January 2010.

DIRECTOR COMPENSATION

Individual directors add value by bringing skills, knowledge and experience that complement those of their colleagues on the Board. This provides diversity, balance of views and perspectives, ensures a well informed and thoughtful oversight and exchange with management. Directors are expected to attend Board and Committee meetings of which they are a member unless there are exceptional circumstances that preclude attendance.

Director compensation is regularly reviewed to ensure the ability to attract and retain qualified directors to the Board. In making its compensation recommendations to the Board, the Human Resources Committee considers:

- The level of compensation required to fairly reflect the responsibilities and work load of serving as a director; and
- The alignment of the interests of directors and Shareholders by:
  - having director share ownership requirements; and
  - having 50% of the annual retainer delivered as DDSUs which are phantom share units required to be held until a director retires or otherwise ceases to serve on the Board. Please see the section entitled ''*Information Concerning the Current Board and Sherritt Nominees for Election as Directors — Director Compensation — Director Share-Based Awards*'' below for additional information concerning DDSUs.

The recruitment of Directors is challenging because of the potential risk to individual directors of being listed under Title IV of the Helms-Burton Act and being advised by the United States Department of State that they, their spouse and minor children are inadmissible for entry into the United States. In practice, directors and family members who are prohibited entry to the United States cannot travel to the United States or through the United States to other destinations; cannot serve on boards where there is an affiliation with the United States; cannot attend conferences, business meetings or other professional development events in the United States, etc.

In recognition of the hardship, loss of opportunity and emotional distress suffered, any independent director who is denied entry to the United States as a result of having been included on the Helms-Burton list receives a ''Helms-Burton Allowance'' of $150,000 per annum. Although these allowances are not considered compensation, in the interest of providing full disclosure, they have been included as ''All Other Compensation'' in the Director Compensation Table that follows on page 17. Such allowances are fully taxable and not grossed up for tax purposes.

Director Benchmarking

Director compensation is benchmarked relative to the same comparator group that is used to benchmark executive compensation. Please see the section entitled ''*Compensation Discussion & Analysis — Comparator Group*'' below.

Director Fees

Director fees are intended to compensate directors for their oversight, responsibility, skills, time, effort, and governance accountabilities. No changes have been made to director fees since January 1, 2013, with the exception of setting a Lead Director fee in May 2017. Directors who also serve as executive officers are not entitled to director fees. The 2017 director fees are outlined in the table below, all amounts are annualized.

	Cash	DDSUs
Chairman of the Board Annual Retainer[(1)]	$180,000	$180,000
Director Annual Retainer	$ 90,000	$ 90,000
Lead Director Fee	$ 45,000	
Audit Committee Chair Fee	$ 15,000	
Human Resource Committee Chair Fee	$ 15,000	
Other Committee Chair Fee	$ 5,000	

Note:

(1) Mr. Pathe, as an executive director does not receive any incremental compensation for acting as Chairman.

The cash and DDSU components of each director's annual retainer are paid and granted, respectively, in equal quarterly installments, in arrears.

Director Share Ownership Requirements

Sherritt has director securities ownership requirements (''**Director SOR**'') to align the interests of directors with Shareholders. Sherritt follows a strong market practice of requiring directors to hold five times their cash retainer in Shares and/or DDSUs. Shares personally held or controlled by a director and DDSUs granted to a director count towards the Director SOR. The Director SOR must be met by the later of: (i) five years after the Board approved the most recent Director SOR; or (ii) the director's fifth anniversary of election or appointment, to the Board.

Securities are valued at the greater of (a) the grant or purchase price and (b) the simple average closing price of Shares on the Toronto Stock Exchange (''TSX'') during the month of December in the applicable year. The simple average closing price for 2017 was $1.47.

The table below provides the Director SOR for each director serving on the Board as at December 31, 2017 and includes DDSUs for services performed in 2017 but not granted until January 2018, as directors are paid in arrears. All directors have either met or have time remaining to meet their Director SOR requirement. In addition to the amounts set out in the table below as at December 31, 2017, Messrs. Baker, Gillin, Lapthorne and Warwick purchased an additional 50,000, 25,000, 45,000 and 100,000 Shares, respectively, in connection with the Corporation's unit offering in January 2018.

	Guideline		Securities Ownership			Ownership Multiple of Retainer		
Name[(1)]	Multiple of Cash Retainer	Total ($)	Common Shares ($)	DDSUs ($)	Total Ownership ($)	Based on Common Shares	Based on Total Ownership	Minimum Ownership Met[(2)]
Timothy Baker	5	450,000	48,844	513,484	562,328	0.5	6.2	Yes
Peter Gillin	5	450,000	142,897	799,577	942,474	1.6	10.5	Yes
Sir Richard Lapthorne	5	450,000	230,463	690,962	921,425	2.6	10.2	Yes
Adrian Loader	5	450,000	76,580	581,793	658,373	0.9	7.3	Yes
Lisa Pankratz	5	450,000	76,944	559,232	636,176	0.9	7.1	Yes
John Warwick	5	450,000	—	63,931	63,931	0.0	0.7	In progress

Notes:

(1) Mr. Pathe does not appear in this table as he is subject to executive share ownership requirements in his capacity as President & Chief Executive Officer. See ''*Compensation Discussion & Analysis — Incentive Plan Awards — Executive Share Ownership Requirements*'' on page 70 for more information on executive share ownership requirements.

(2) Mr. Warwick has until June 13, 2022 to satisfy his share ownership requirements, being the fifth anniversary of his election to the Board.

Director Compensation Table

The total compensation, including the value of DDSUs, awarded to the directors in respect of the fiscal year ended December 31, 2017 was $1,558,248 million. The following table provides the details for compensation received by each of the directors for serving on the Board in 2017.

Name[(1)]	Fees Earned ($)	DDSU Awards[(2)] ($)	Option-Based Awards ($)	Non-Equity Incentive Compensation ($)	All Other Compensation[(3)] ($)	Total Compensation ($)
Timothy Baker	95,000	90,002	Nil	Nil	Nil	185,002
Peter Gillin	121,275	90,002	Nil	Nil	Nil	211,277
Sir Richard Lapthorne	95,000	90,002	Nil	Nil	Nil	185,002
Adrian Loader	103,138	90,002	Nil	Nil	Nil	193,139
Dee Marcoux	48,037	41,175	Nil	Nil	118,125	207,337
Lisa Pankratz	98,138	90,002	Nil	Nil	Nil	188,139
Hap Stephen	82,350	82,350	Nil	Nil	126,000	290,700
John Warwick	48,825	48,827	Nil	Nil	Nil	97,652

Notes:

(1) Mr. Pathe does not appear in this table as he is an executive director and a NEO. Mr. Pathe does not receive any compensation for serving as a director or as Chairman of the Board. Information relating to Mr. Pathe's compensation is provided under ''*Compensation Discussion & Analysis — 2017*

Executive Compensation Decisions'' on page 45 and in the summary compensation table in the section entitled ''*Compensation Discussion & Analysis — Summary Compensation Table*'' on page 63.

(2) The number of DDSUs granted to each director was calculated by dividing the compensation value of the award by the market price in respect of the specific grant date. There were four grant dates in respect of 2017 DDSUs: April 17, 2017; July 17, 2017; October 16, 2017; and January 15, 2018. The Market Prices were $1.00; $0.80; $1.24; $1.58, respectively.

(3) Certain directors have been listed under the Helms-Burton Act (see the discussion at page 16 which sets out the rationale for the Helms-Burton Allowance) and receive a Helms-Burton Allowance. Although these allowances are not considered compensation they have been included as ''All Other Compensation'' in the table above in the interest of providing full disclosure. The Helms-Burton Allowances are fully taxable and not grossed-up for tax purposes. The Helms-Burton Allowance is payable to those directors who are named on the Helms-Burton list. Ms. Marcoux and Mr. Stephen were on the Helms-Burton list until they were advised by the United States Department of State that they were removed from the list on October 14, 2017 and November 2, 2017, respectively, following their retirement from the Board on June 13, 2017.

Director Share-Based Awards

The following table provides the details of the DDSU Plan. No amendments were made to the DDSU Plan in 2017.

Feature	Description
Securities	Phantom share units that track the value of Shares.
Eligibility	Non-Executive Directors.
Calculation of Award	The compensation value is divided by the volume-weighted average trading price of a Share on the TSX for the five trading days immediately preceding the applicable date (the ''**Market Price**''). The number of units granted is rounded up to the nearest whole unit.
Dividends	The value of dividends paid on Shares, if any, is converted into additional DDSUs.
Vesting	DDSUs vest on the grant date.
Redemptions	DDSUs are redeemable after the DDSU participant ceases to be a director and no later than December 31st of the calendar year following cessation from service. DDSUs are valued at Market Price as at the redemption date.
Amendments and Variation	The Board may at any time amend the DDSU Plan provided that no amendment materially affects any rights acquired by a participant under the plan. The Board may also, with the consent of the participant, approve any variation in terms of DDSUs that have been granted to the participant.

Outstanding DDSU Awards

The following table provides information relating to all outstanding DDSU awards held by directors as of December 31, 2017. No other share-based awards or Options are granted to directors. DDSU awards are fully vested on the date of grant.

Name	Market or Payout Value of Vested DDSU Awards Not Paid Out or Distributed[(1)] ($)
Timothy Baker	458,132
Peter Gillin	540,902
Sir Richard Lapthorne	515,188
Adrian Loader	487,531
Dee Marcoux	527,228
Lisa Pankratz	476,992
Hap Stephen	914,957
John Warwick	39,436

Note:

(1) The ''Market Value of Vested Share-based Awards not Paid Out or Distributed'' is calculated by multiplying the number of DDSUs held by the director on December 31, 2017 by the closing price of Shares on the TSX on December 29, 2017 (the last trading day of the year), which was $1.72.

Value Vested or Earned During the Year

The following table provides the aggregate dollar value that would have been realized by the directors had their DDSU awards that vested during 2017 been paid out on the vesting date.

Name	DDSU Awards[(1)] ($)
Timothy Baker	90,002
Peter Gillin	90,002
Sir Richard Lapthorne	90,002
Adrian Loader	90,002
Dee Marcoux	63,677
Lisa Pankratz	90,002
Hap Stephen	127,352
John Warwick	26,327

Note:

(1) The value vested during the year is calculated by multiplying (i) the number of DDSUs that vested during the year by (ii) the grant date Market Price which is the volume-weighted average trading price of a Share on the TSX for the five trading days immediately preceding each grant date. There were four grant dates in respect of DDSUs that vested during 2017: January 16, 2017; April 17, 2017; July 17, 2017; and October 16, 2017. The Market Prices were: $1.55; $1.00; $0.80; and $1.24, respectively.

ABOUT THE BOARD OF DIRECTORS

The Board is responsible for overseeing management of the business and affairs of the Corporation. The Corporation's articles stipulate that the Board must consist of not less than three and not more than 15 directors. In accordance with the Corporation's by-laws and a special resolution of Shareholders, the Board is authorized to determine the number of directors from time to time. The Board is currently fixed at eight members. The Board has a written mandate that establishes its purpose, responsibilities and composition. A copy of the mandate in effect as of the day of the Meeting is attached as Schedule ''A'' to this Circular.

In assisting the Board in fulfilling its oversight responsibilities in relation to corporate governance, the Board has delegated responsibility to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for making recommendations to the Board regarding the Corporation's approach to corporate governance issues (including the annual review of the Corporation's governance policy).

INDEPENDENCE

All directors, other than the Chairman, President and Chief Executive Officer, are independent. The Corporation determines the independence of its directors using the definition set out in National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (''**NI 58-101**''). This definition provides that to be independent, a director must have no direct or indirect material relationship with the Corporation. A material relationship exists where the Board believes that a relationship could be reasonably expected to interfere with the director's independent judgment and is deemed to exist under certain prescribed circumstances set out in NI 58-101. The Board currently consists of seven directors that are independent (Messrs. Baker, Gillin, Loader and Warwick, Sir Richard Lapthorne and Ms. Belanger and Ms. Pankratz) and each committee is comprised entirely of independent directors. Mr. Pathe is non-independent as he serves as President and Chief Executive Officer of the Corporation.

A director who has a real or perceived conflict of interest regarding any matter under consideration is required to recuse him or herself from all Board deliberations or discussions relating to such matter.

Effective June 13, 2017, Mr. Pathe assumed the combined role of CEO/Chairman of the Board. As the Corporation remains strongly committed to maintaining independent leadership in the functioning of the Board, Mr. Gillin, an independent director, concurrently assumed the responsibilities of ''Lead Director''.

The principal role of the Lead Director is to facilitate the functioning of the Board independent of management and the Chairman of the Board and to serve as an independent leadership contact for the directors, senior executives and stakeholders. Among other things, the ''Lead Director'' is responsible for approving the agenda for Board meetings, leading discussions at sessions of the independent members of the Board outside the presence of management, providing feedback regarding such sessions to the Chairman, and otherwise serving as a liaison between the independent directors and the Chairman. The Lead Director is also available as a contact for consultation and direct communication with shareholders and other key stakeholders. A copy of the Lead Director's terms of reference is available at www.sherritt.com.

POSITION DESCRIPTIONS

The Chairman of the Board

The principal role of the Chairman of the Board is to provide leadership to the Board. The Chairman is responsible for effectively managing the affairs of the Board and ensuring that the Board is properly organized and that it functions efficiently. The Chairman, if independent, also advises the President and Chief Executive Officer in all matters concerning the interests of the Corporation, the Board and the relationships between management and the Board. A copy of the Chairman's terms of reference is available at www.sherritt.com and is also attached to the Board Mandate attached as Schedule ''A'' to this Circular.

Committee Chairs

The Chair of each committee is responsible for, amongst other things:

- determining the date, time and location of meetings of the committee in consultation with the Chairman of the Board, the Lead Director, the Corporate Secretary and the committee members, as appropriate and convening meetings of the committee as often as necessary to carry out the committees responsibilities effectively;
- chairing all meetings of the committee;
- confirming that the duties and responsibilities of the committee, as set forth in its mandate, are well understood by the committee members and executed effectively;
- in consultation with the Chairman of the Board, the Lead Director, committee members, and the Corporate Secretary, as appropriate, reviewing meeting agendas to ensure that required business is brought before the committee to enable the committee to carry out its responsibilities;
- communicating with appropriate members of senior management in fulfilling the duties and responsibilities set forth in the committee's mandate;
- with the assistance of the Corporate Secretary, ensuring that agenda items for all committee meetings are ready for presentation and that adequate information is distributed to committee members in advance of such meetings in order that committee members may properly inform themselves on matters to be acted upon;
- ensuring that minutes are kept of all committee meetings and signing minutes once approved by the committee;
- reporting to the Board at its next meeting following any decision or recommendation arising from any meeting of the committee or the signing of a written resolution evidencing a decision or recommendation of the committee, including reporting on the considerations that led to such decision or recommendation;
- providing leadership to enable the committee to act effectively in carrying out its responsibilities; and
- ensuring that the committee periodically evaluates its effectiveness in fulfilling the duties and responsibilities set forth in its mandate.

President and Chief Executive Officer

The Board and the Chief Executive Officer have developed a written position description for the President and Chief Executive Officer which delineates that officer's roles and responsibilities. The President and Chief Executive Officer has the primary responsibility for the management of the business and affairs of the Corporation in accordance with the Corporation's strategy and objectives approved by the Board within the authority limitations delegated by the Board. Specific duties and responsibilities of the President and Chief Executive Officer are set out in the President and Chief Executive Officer terms of reference, a copy of which is available at www.sherritt.com.

MEETING IN CAMERA

In camera sessions in which independent directors meet without management are held at every in-person meeting of the Board and the Chairman of the Board (if independent) or the Lead Director leads these sessions. Board committees consist of independent directors and meet *in camera* at each in-person committee meeting and otherwise as considered necessary. Committees operate independently of management in fulfilling their mandates and making recommendations to the Board. The Lead Director and the Chair of each committee presides over these meetings. At least once per quarter, the Audit Committee meets separately with the Corporation's external auditor, Deloitte LLP, and the Corporation's Internal Audit function to discuss the financial affairs of the Corporation without management being present. In addition, the independent directors may meet separately at such other times as any independent director may request.

The Lead Director and the committee Chairs update management on the substance of the *in camera* meetings if action is required.

DIRECTOR ORIENTATION

The Corporation's orientation program ensures that new directors have a clear understanding of director responsibilities in Canada, develop a good working relationship with current Board members and become familiar with the operations and management team so they can actively participate in meetings when they join the Board. New directors are invited to attend as an observer, meetings of committees of which the new director is not a member. The Nominating and Corporate Governance Committee is responsible for confirming that procedures are in place and resources are made available to provide new directors with a proper orientation to both the Corporation and their duties and responsibilities as directors.

The Corporation currently takes the following steps to orient new directors:

1. Face to face meetings or telephone calls: During the recruitment process, candidates meet with the Lead Director, the Chair of the Nominating and Corporate Governance Committee (or if unavailable, another director) and the Chairman, President and Chief Executive Officer to discuss the expectations the Corporation has of its Board members (as described in the Mandate of the Board found at Schedule ''A'' to this Circular). Candidates also receive an overview of the business of the Corporation in these meetings.
2. New director's package: The new director's package includes: a handbook containing relevant corporate and business information (articles, by-laws, organization and corporate charts, Board mandate, committee mandates, etc.), current continuous disclosure documents, and Board presentations given within the previous year.
3. Site visits: Within the first year of their appointment, new directors are invited to visit the Corporation's business units and major projects.
4. Interact with key management: Within the first year of their appointment, new directors are provided an opportunity to meet with all key management team members.
5. Legal obligations: New directors attend a session with the Corporation's outside counsel to ensure each has a full understanding of their legal obligations as a director.
6. Committee Orientation: Committee Chairs, together with appropriate management representatives, provide committee orientation to new directors regarding the committees they will be joining.

Continuing Education

The Corporation expects its directors to be informed about the issues affecting its business, including the industries it participates in, governance and other related issues. The Corporation undertakes continuing education efforts that include meetings among management and the Board, and where appropriate, outside experts, to discuss, among other things, regulatory changes, developments in corporate governance, developments in the mining and oil and gas industries and market conditions.

The Corporation's directors and executive officers also complete continuing education sessions and attend briefings on various topics relating to the jurisdictions in which its subsidiaries and joint ventures operate, including the various political, regulatory and economic environments. The Corporation issues to the directors quarterly updates on Sherritt's foreign operations, which includes updates on political, economic and social developments in Cuba and Madagascar. The Corporation also retains the services of consultants, including former Canadian diplomatic personnel, with knowledge of the political and economic situation in Cuba and Madagascar to advise the directors and executive officers on current developments in those countries from time to time. The directors also participate in scheduled trips to the Corporation's operations in Canada, Cuba and Madagascar, where they meet with the senior executives responsible for local operations; attend site visits; meet with government officials, local leaders and stakeholders; and learn about the local business culture and practices.

The table below lists, by way of example, the internal and external conferences, seminars, courses and site tours that the nominee directors attended between January 1, 2017 and December 31, 2017.

Topic	Presented/Hosted By	Attended By (Current Directors)
Site Visit: Moa Project, Cuba	Steve Wood, Executive Vice President and Chief Operating Officer	Tim Baker
Site Visit: Metals Operations, Fort Saskatchewan	Martin Vydra, Senior Vice President, Metals; Steve Wood, Executive Vice President and Chief Operating Officer	Tim Baker, John Warwick
Site Visit: Oil & Gas and Power Operations, Cuba	Elvin Saruk, Senior Vice President, Oil & Gas and Power	Tim Baker, Peter Gillin, Adrian Loader, John Warwick
External Seminar: Executive Awards Strategy Roundtable	Mercer	Peter Gillin
External Seminar: Northwind Mining Invitational Forum	Northwind Institute	Peter Gillin
External Seminar: Mining Audit Committee Roundtable	KPMG	Peter Gillin
External Seminar: Executive Pay Trends and Issues	Hugessen Consulting	Peter Gillin
External Seminar: Digital Transformation in Mining	KPMG	Peter Gillin
External Seminar: Guidance for Directors — Shareholder Engagement	Institute of Corporate Directors	Tim Baker
External Seminar: Webinar Executive Compensation — Lessons from the 2017 Proxy Season	Institute of Corporate Directors	Tim Baker
External Seminar: Update on current status of UK remuneration reporting and best practice	Willis Towers Watson	Tim Baker
External Seminar: Director Education Program	Institute of Corporate Directors	Maryse Belanger
External Seminar: Institutional Investor Education Seminar	PH&N Investment Services	Lisa Pankratz
External Seminar: ESG Investing 2017 and Beyond	Northern Trust	Lisa Pankratz
External Seminar: Social License — Who Defines it?	Institute of Corporate Directors	Lisa Pankratz
External Seminar: Global Investment Forum	Mercer	Lisa Pankratz
External Seminar: Discussion with Dr. Ben Bernanke	PIMCO	Lisa Pankratz
External Seminar: Current Accounting and Reporting Developments	PricewaterhouseCoopers	Lisa Pankratz
External Seminar: Responsible Investment Association (“**RIA**”) Conference	RIA	Lisa Pankratz
External Seminar: Foundation, Endowment & Not for Profit Investment West Conference	Strategy Institute	Lisa Pankratz
External Seminar: 13th Annual Mining Executive and Director Forum	KPMG	Lisa Pankratz
External Seminar: bcIMC Trustee Development	bcIMC/Quadreal	Lisa Pankratz

The Corporation reimburses directors for continuing education out-of-pocket expenses.

BOARD SKILLS MATRIX

The following skills matrix sets out the skills and expertise that the Board considers important to fulfill its oversight role in respect of the Corporation, the specific skills and expertise that each Sherritt Nominee is identified as having and reflects the proposed makeup of the Board as a whole.

Skills & Experience	Timothy Baker	Maryse Belanger	R. Peter Gillin	Sir Richard Lapthorne	Adrian Loader	Lisa Pankratz	David Pathe	John Warwick	Total
Appointment Date	05/06/14	02/7/18	01/01/10	09/14/11	07/29/13	11/13/13	01/01/12	06/13/17	
Mining and/or Resource Industry	✓	✓	✓		✓		✓	✓	6
International Business	✓	✓	✓	✓	✓	✓	✓	✓	8
Government Relations		✓		✓	✓				3
Capital Projects	✓	✓	✓	✓	✓	✓	✓	✓	8
Reserve Evaluation	✓	✓			✓				3
Enterprise Management		✓	✓	✓	✓	✓	✓	✓	7
Financial Literacy and Reporting			✓	✓		✓	✓	✓	5
Corporate Governance				✓	✓	✓	✓		4
Operations	✓	✓	✓	✓	✓	✓			6
Human Resources/Executive Compensation	✓	✓	✓	✓	✓	✓		✓	7
Environment, Health, Safety and Sustainability	✓	✓			✓				3
Risk Management/Evaluation	✓	✓	✓	✓	✓	✓	✓	✓	8
Finance and M&A			✓	✓	✓	✓	✓	✓	6
Board Leadership	✓	✓	✓	✓	✓			✓	6

The Board maintains this skills matrix to identify and evaluate the competencies and skills of its members based on the individual experience and background of each director. The skills matrix is reviewed and updated each year based on self-assessment by each director whereby each director is asked to rate their experience and background in a variety of key subject areas. This data is compiled into a matrix representing the broad skills for current directors. This matrix is maintained to identify areas for strengthening the Board, if any, and address them through the recruitment of new members.

Board Experience in Jurisdictions of Sherritt's Foreign Operations

The working language of the Corporation is English and all internal documents and material documents provided to the Board are prepared and presented in English. The official languages of Madagascar and Cuba, the main jurisdictions of Sherritt's foreign operations, are Malagasy and French, and Spanish, respectively. Four directors are fluent in French and three directors are fluent in Spanish. The Corporation considers fluency in the languages of these jurisdictions as an additional skill. Relevant foreign language skills enable directors to better interact with local stakeholders, including government officials and employees.

BOARD SUCCESSION AND RENEWAL

The Nominating and Corporate Governance Committee is responsible for making recommendations to the Board regarding the qualifications for and selection of nominees for election or appointment to the Board to fill vacancies. The Corporation's objective with respect to board composition is for the Board to have a sufficient range of skills, expertise and experience to ensure that the Board can carry out its responsibilities effectively.

In making recommendations of nominee directors to the Board, the Nominating and Corporate Governance Committee considers:

- the competencies and skills that are necessary to serve on the Board;
- the competencies and skills that each existing director contributes to the Board;

- the competencies and skills that each new nominee would contribute to the Board;
- whether each new nominee would enhance the effective functioning of the Board as a whole; and
- whether each new nominee can devote sufficient time and resources to their duties as a member of the Board.

When considering nominee directors, the Nominating and Corporate Governance Committee also takes into account factors such as whether the nominee is a strong leader in their field, ideally from an industrial background with experience in mining, energy, operations or large capital intensive industry; has strong experience in either corporate strategy and/or operations within an industrial setting; and whether the nominee has the ability to engender trust and respect in the boardroom setting.

The Corporation monitors Board renewal in order to ensure reasonable turnover and renewal of directors. Board renewal is expected to be achieved primarily through a skills gap assessment performed by the Nominating and Corporate Governance Committee, as described above, and the Board evaluation process described under ''*Corporate Governance Practices — Board Evaluation*'' below, together with ordinary attrition as directors elect not to stand for re-election. In circumstances where sufficient renewal does not occur through this process the Committee will take appropriate incremental steps to ensure reasonable renewal. There is no expectation that any director will remain on the Board for any particular ''term'' or period of time, and renewal processes apply equally to short and long serving directors.

As part of Board renewal in the past five years one new independent director joined the Board in 2018, one new independent director joined the Board in 2017, one new independent director joined the Board in 2014 and two new independent directors joined the Board in 2013.

CORPORATE GOVERNANCE PRACTICES

The Board believes that sound corporate governance practices are essential to the well-being of the Corporation and the promotion and protection of its Shareholders' interests. The Board oversees the functioning of the Corporation's governance system, in part, through the work of the Nominating and Corporate Governance Committee.

The Board promotes fair reporting, including financial reporting, to Shareholders and other interested persons as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls. The Board believes that the Corporation is best served by a Board which functions independently of management and is informed and engaged.

NI 58-101 requires disclosure concerning an issuer's corporate governance practices. The Corporation operates under the guidelines set out in this section, ''*Corporate Governance Practices*''. These guidelines as well as the disclosure in ''*About the Board of Directors*'', above, address the requirements of NI 58-101 and the guidance suggested by National Policy 58-201 — *Corporate Governance Guidelines*.

SHARE OWNERSHIP REQUIREMENTS

The Corporation has established share ownership requirements for directors and senior executive officers which are designed to align the interests of the directors and senior executive officers with the long-term interests of Shareholders. See page 17 for a detailed discussion of director share ownership requirements and page 70 for a detailed discussion of executive share ownership requirements.

RETIREMENT POLICY AND TERM LIMITS

The Board has not adopted a mandatory retirement policy or term limit for directors. The Board believes that mandatory retirement and term limits may result in the loss of effective directors with deep knowledge of the Corporation. Instead, Sherritt follows a director assessment process each year to ensure that director effectiveness and renewal of the Board are considered together. This process is discussed in more detail under the heading ''*Corporate Governance Practices — Board Evaluation*'', below. It serves to ensure that Sherritt has a high performing Board comprised of directors with a diversity of skills, experience and background and a reasonable level of board renewal. Sherritt's process includes, among other things, a periodic self and peer evaluation, which considers the skills and expertise of each director and assesses the contribution made to Sherritt and to the Board by each director, and a periodic independent third party board evaluation process.

DIVERSITY & INCLUSION POLICY

Sherritt recognizes the value of diversity (which includes gender) and inclusion and believes that the Corporation can benefit from the insight, innovation and good judgment that comes from including a variety of perspectives in the decision making and strategic planning process. To this end, the Board has adopted a Diversity & Inclusion Policy that makes diversity of the Board one of the criteria for the Nominating and Corporate Governance Committee to consider in recruiting and selecting potential directors. The Diversity & Inclusion Policy also makes diversity one of the criteria for senior management to consider in evaluating the suitability of candidates for all positions. In 2018 the Diversity & Inclusion Policy was updated to include the Corporation's commitment to have women representing at least 30% of the independent directors by 2022. Sherritt currently has two women independent directors (representing 25% of the Board and 29% of the independent directors) and one woman executive officer (representing 12.5% of the executive officers).

In 2016, Sherritt established diversity and inclusion as a strategic priority and since that time has demonstrated commitment to a multi-year plan which includes establishing the CEO's Global Diversity & Inclusion Steering Committee, local diversity groups to address site-specific obstacles, a review of policies and HR practices to identify and remove any systemic barriers, a comprehensive education and communication plan and a metrics framework to track progress.

As part of his commitment to diversity, David Pathe is a member of the ''30% Club'', a global campaign aimed at promoting women to senior business roles. Sherritt is also a member of Catalyst, an organization whose mission is to accelerate progress for women through workplace inclusion, reflecting Sherritt's contribution to the advancement of diversity and inclusion within Sherritt and across Canada. Mr. Pathe serves on Catalyst Canada's Advisory Board.

BOARD EVALUATION

The Lead Director of the Board or a director acting on the Lead Director's behalf is responsible for providing annual performance reviews for Board members. The Lead Director or his nominee solicits feedback from each of the director's peers on the Board to solicit feedback on the particular director's performance over the course of the past year. The Lead Director or the Chair of the Nominating and Corporate Governance Committee discusses and issues arising from such solicitation with each director as part of the annual performance review. This process seeks to identify individual performance issues and effectively respond to them by discussing them with each director. In addition, the Chair of the Nominating and Corporate Governance Committee, or a director acting on behalf of the Chair, speaks with each director (other than the Chief Executive Officer) to solicit feedback on the Lead Director's performance over the course of the past year. The Chair of the Nominating and Corporate Governance Committee then discusses any issues arising from this evaluation with the Lead Director in order to effectively convey and respond to any identified performance issues. The Board evaluation process also contemplates periodic effectiveness reviews by an independent third party, including an assessment of individual director performance and the contributions of each director to the Board as a whole. This process involves interviews with each director, key executives and senior personnel of the Corporation, and external advisors. The independent third party reports to the Chair of the Nominating and Corporate Governance Committee, in respect of the Lead Director and to the Lead Director in respect of all other directors. In 2014, Watson Inc. was retained to perform this review and provide its recommendations, including regarding measures to enhance overall Board effectiveness.

ETHICAL BUSINESS CONDUCT

The Board has approved and adopted a written code of business conduct and ethics (the ''**Code**'') that contains the rules and guidelines for ethical behavior at the Corporation. The Code is based on the Corporation's values and the laws, regulations and rules that apply to the businesses and govern the conduct of the directors, officers and employees of the Corporation. All new employees and directors must read the Code when hired and acknowledge that they will abide by the Code. The Code is available on the Corporation's SEDAR profile at www.sedar.com.

The Board, through the Audit Committee, monitors compliance with the Code. The Corporation's internal auditor regularly monitors compliance with the Code and reports to the Audit Committee. The Corporation has also adopted a policy (the ''**Whistleblower Policy**'') for employees to report concerns regarding, amongst other things, violations of the Code. These concerns may be reported anonymously to the Corporation's Internal Audit function which will raise any such reports with the Audit Committee for further investigation and response. In addition, under the Whistleblower Policy, the Corporation has a third party-managed ethics hotline that allows employees to report any concerns about inappropriate business conduct confidentially and anonymously. Employees can report these concerns online or by phone.

The Board has not granted any waiver of the Code in favour of any director, officer or employee since its adoption by the Board. Accordingly, no material change report in respect of a waiver of the Code has been required or filed.

The Corporation finalized its Anti-Corruption Policy in 2012, and it was subsequently updated and amended in 2014 and again in 2016. Throughout its worldwide operations, the Corporation seeks to avoid any impropriety or the appearance of impropriety in the actions of its directors, officers, employees, and agents. Accordingly, the prohibitions and requirements of the Anti-Corruption Policy are designed not merely to comply with Canada's *Corruption of Foreign Public Officials Act* and other applicable anti-corruption laws, but to avoid even the appearance of questionable conduct in connection with Sherritt operations and business activities. Training sessions have been carried out across the Corporation to ensure that certain employees, especially those who interact significantly with government and other third parties, understand the policy and know how to apply it.

DISCLOSURE POLICY

Management of the Corporation has established a Disclosure Committee to ensure that it is communicating with Shareholders, employees and the public openly and in a timely way, as well as complying with its continuous disclosure obligations under securities laws.

The Disclosure Committee reviews all news releases and public filings prior to their release and the Corporation has mechanisms in place to evaluate the design and effectiveness of disclosure controls. In addition, all press releases and public filings disclosing the financial performance of the Corporation are then reviewed by the Audit Committee. The Disclosure Committee currently has four members: the Senior Vice President and Chief Financial Officer, the Executive Vice President and Chief Operating Officer, the Senior Vice President, General Counsel & Corporate Secretary, and the Director, Investor Relations and Communications.

Each Board committee reviews the public disclosure relevant to its mandate, where applicable, prior to the Board considering the item for approval. For example, the Audit Committee is responsible for reviewing the annual and interim financial statements and management's discussion and analysis and the Board then considers for approval the annual financial statements and management's discussion and analysis.

STRATEGIC PLANNING AND RISK MANAGEMENT

The Board, with the assistance of its committees, is responsible for assessing and approving the Corporation's strategic plan and approving annual business plans developed and proposed by management. The Board provides advice and input regarding strategic opportunities, as well as issues and concerns which create risk for the Corporation. The Board is also responsible for approving the business and operational policies which govern the Corporation's approach to capital expenditures, acquisitions and dispositions, disclosure and communications, finance and investment, risk management and human resources and reviewing and discussing with management the processes used to assess and manage risk. Management updates the Board as to the principal risks of the Corporation's business at each regularly scheduled Board meeting.

SHAREHOLDER ENGAGEMENT

The Corporation communicates with its Shareholders in a variety of ways including through its website, disclosure documents and management's quarterly conference calls with analysts, which Shareholders and the public can access. Specific Shareholder inquiries are handled by Investor Relations. Specific details of 2017 Shareholder outreach can be found in the Letter from the Chair of the Human Resources Committee beginning on page 32.

COMMUNICATION WITH THE BOARD

The Board welcomes and is responsive to input and comments from Shareholders. Input or comments for the Board or its committees should be directed to the Corporate Secretary at:

Board of Directors of Sherritt International Corporation
c/o Corporate Secretary
Sherritt International Corporation
181 Bay St.
26th Floor
Toronto, Ontario M5J 2T3

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has five standing committees, each of which is composed entirely of independent directors:

- Audit Committee;
- Environment, Health, Safety and Sustainability Committee;
- Human Resources Committee;
- Nominating and Corporate Governance Committee; and
- Reserves Committee.

Each of the committees has its own mandate, which sets forth its duties and responsibilities and can be found on the Corporation's website at www.sherritt.com. Each committee meets and operates independently of management in fulfilling its mandate and in making recommendations to the Board. Subject to appointments made as a result of resignations or retirements, the members of each committee are selected by the Board annually on the recommendation of the Nominating and Corporate Governance Committee.

AUDIT COMMITTEE

Current Members: Lisa Pankratz (Chair), Sir Richard Lapthorne, John Warwick

The Audit Committee is composed entirely of directors who are both independent and financially literate within the meaning of National Instrument 52-110 — *Audit Committees* (''**NI 52-110**''). The Audit Committee's mandate is to assist the Corporation in ensuring the integrity and accuracy of the Corporation's financial reporting and disclosure controls and procedures.

The Audit Committee:

- reviews the Corporation's financial statements and management's discussion and analysis of financial and operating results;
- assists the Board in its oversight of the integrity of:
  - the Corporation's financial statements and other relevant public disclosures;
  - the Corporation's compliance with legal and regulatory requirements relating to financial reporting;
  - the external auditor's qualifications and independence;
  - the performance of the internal and external auditors;
- oversees management's responsibility for ensuring that all significant risks to the Corporation, regardless of sources, are proactively identified and managed;
- ensures that management fulfills its responsibilities to maintain effective disclosure controls and procedures and an effective system of internal control over financial reporting and reports any deficiencies to the Board;
- ensures management adequately identifies, manages, monitors and discloses the principal financial and business risks that could impact the Corporation's financial results and reporting;
- oversees procedures for the receipt, retention and treatment of complaints received regarding accounting, internal controls or auditing matters, and procedures;
- reviews the accounting principles and practices to be applied and followed by the Corporation during the fiscal year and any significant changes from those applied and followed during the previous year;
- reviews all litigation and claims involving the Corporation which could materially affect its financial position and which the auditors or General Counsel may refer to the Audit Committee;
- reviews the Corporation's tax status, significant tax issues and reviews by tax authorities;
- reviews the adequacy of insurance coverage; and
- reviews, at least annually, the quality and sufficiency of the Corporation's accounting and financial personnel.

The external auditors report directly to the Audit Committee and are accountable to the Board and the Audit Committee. The Audit Committee shall: (a) recommend for approval to the Board the appointment, and oversee the work of, the external auditors; (b) approve the audit plan; (c) review the qualifications and performance of the external auditors; (d) report to the

Board regarding the performance of the external auditors; (e) review the results of the external auditors' work; (f) assess working relationships with management and resolve any disagreements between management and the external auditors about financial reporting; (g) pre-approve the nature and fees of the non-audit services; and (h) review and approve the hiring policies regarding partners and employees and former partners and employees of the present and former external auditors.

The Internal Audit function reports to the Chief Financial Officer and is accountable to the Audit Committee. The Audit Committee shall: (a) approve the mandate for the internal audit department and annually review its objectives and goals and staffing levels; (b) approve the internal audit charter; (c) approve the internal audit plan; (d) approve the internal audit budget and resource plan; (e) receive communications from the Internal Audit function on performance relative to its plan and other matters; (f) ensure that the Internal Auditor function has direct and open communication with the Audit Committee with respect to progress on planned audits, significant audit findings, recommendations made and management's response; (g) approve the appointment or removal of the Chief Internal Auditor; and (h) review management's decisions related to the need for an internal audit.

The Audit Committee has access to the resources and has the authority that is necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants. If such fees and expenses exceed, or are expected to exceed C$150,000, the Audit Committee must obtain the approval of the full Board.

The Audit Committee has a written mandate that establishes its purpose, responsibilities and membership of the Audit Committee ensures that it fulfills the responsibilities contemplated by NI 52-110. The Audit Committee mandate is attached as Schedule C to the annual information form of the Corporation for the year ended December 31, 2017 (the "**2017 AIF**") as filed on SEDAR and is available under the Corporation's profile at www.sedar.com. The mandate of the Audit Committee is also available on the Corporation's website at www.sherritt.com.

ENVIRONMENT, HEALTH, SAFETY AND SUSTAINABILITY COMMITTEE

Current Members: Timothy Baker (Chair), Maryse Belanger, Peter Gillin, John Warwick

The Environment, Health, Safety and Sustainability Committee assists the Board in its oversight of environmental, health and safety, security and other sustainability management systems, policies, programs and targets.

The Environment, Health, Safety and Sustainability Committee:

- reviews and makes recommendations to the Board regarding the scope of environment, health and safety, security and sustainability risks to the Corporation's operations and future growth;
- reviews and makes recommendations to the Board on compliance with legal and regulatory requirements and any voluntary commitments the Corporation has made related to environment, health and safety, security and sustainability;
- ensures that the Corporation monitors trends and reviews current and emerging legislation and regulation, international norms, stakeholder expectations and industry best practices on the environment, health and safety, security and sustainability;
- regularly reviews management reports on environment, health and safety, security and sustainability performance;
- reviews the Corporation's annual sustainability report for external audiences;
- reviews the Corporation's processes for the selection, preparation and disclosure of sustainability performance data and information to external stakeholders and the public;
- reviews corporate-level audits and management responses/plans in the areas of environment, health and safety, security and sustainability;
- reviews the Corporation's corporate-level crisis management plan and other plans relating to emergency and disaster response;
- ensures alignment with the Audit Committee on the assessment and adequacy of controls to manage environment, health and safety, security and sustainability risks;
- consults with the Reserves Committee regarding the identification and monitoring of environment, health and safety, security and sustainability risks and actual performance in connection with the Corporation's current or future capital projects; and
- visits at least one site of major operations at least once per calendar year.

The Environment, Health, Safety and Sustainability Committee has access to the resources and has the authority that is necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants. If such fees and expenses exceed, or are expected to exceed C$150,000, the Environment, Health, Safety and Sustainability Committee must obtain the approval of the full Board.

The Environment, Health, Safety and Sustainability Committee has a written mandate that establishes its purpose, responsibilities and membership. A copy of the mandate is located on the Corporation's website at www.sherritt.com.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Current Members: Sir Richard Lapthorne (Chair), Timothy Baker, Maryse Belanger, Peter Gillin, Adrian Loader, Lisa Pankratz, John Warwick

The Nominating and Corporate Governance Committee assists the Board in establishing the Corporation's corporate governance policies and practices. It is also responsible for identifying new candidates for nomination to the Board for approval and also reviewing the composition and functioning of the Board and its committees.

The Nominating and Corporate Governance Committee makes recommendations to the Board with respect to: (a) the size and composition of the Board; (b) the qualifications for and selection of nominees for election or appointment to the Board to fill Board vacancies; (c) the candidate for the position of Lead Director, from among the serving independent directors (if applicable); (d) the number, composition and mandates of committees of the Board; (e) the Corporation's Timely Disclosure and Confidentiality Policy and Insider Trading Policy; (f) procedures to assess the effectiveness and contribution of the Board, its committees and individual directors; (g) the Corporation's approach to corporate governance issues; and (h) the development and review of position descriptions or terms of reference, as the case may be, for the President and Chief Executive Officer, the Chairman of the Board, the Lead Director and the Chair of each committee of the Board.

The Nominating and Corporate Governance Committee:

- develops and maintains a succession plan for the Board and assists the Board in ensuring that management maintains a process for succession planning of senior management;
- confirms that procedures are in place and resources are made available to provide orientation and an education program for new Board and committee members;
- reviews all proposed related-party transactions and situations involving an actual or potential conflict brought to its attention; and
- reviews and assesses the Corporation's code of business conduct and ethics.

The Nominating and Corporate Governance Committee has access to the resources and has the authority that is necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants. If such fees and expenses exceed, or are expected to exceed C$150,000, the Nominating and Corporate Governance Committee must obtain the approval of the full Board.

The Nominating and Corporate Governance Committee has a written mandate that establishes its purpose, responsibilities and membership. A copy of the mandate which will be effective as of the Meeting date is located on the Corporation's website at www.sherritt.com.

RESERVES COMMITTEE

Current Members: Adrian Loader (Chair), Timothy Baker, Maryse Belanger

The Reserves Committee is responsible for reviewing the mineral reserves (including oil and gas reserves) of the Corporation and its affiliated and related entities and for overseeing the availability, maintenance, growth and integrity of the Corporation's reported reserve base, including any additional potential reserves.

With respect to all reserves and resources, the Reserves Committee will receive and review a report prepared by the Corporation's legal counsel, which addresses counsel's assessment regarding regulatory compliance of the technical reports and the Corporation's proposed disclosure in connection with the technical reports.

With respect to the Corporation's mineral reserves and resources, the Reserves Committee:

- reviews the selection criteria and the appointment of the Corporation's designated qualified person(s) both independent and internal;

- reviews the reserves and resources information and the report of the qualified person(s) prior to publication of new reserves and resources estimates and prior to the disclosure of the Corporation's annual reserves and resources information;
- reviews an annual reconciliation of reserves to mine production;
- reviews the Corporation's internal controls and disclosure controls and procedures relating to reserves and resources estimation and the report of the qualified person(s) thereon;
- receives internal reports from management on all material matters related to reserves and resources estimation;
- receives reports from management on industry standards and regulations respecting the estimation and publication of reserves and resources and developments;
- reviews with the qualified person(s) the Corporation's material and/or major mineral reserves and resources risk exposures and the steps management has taken to monitor and control such exposures;

With respect to the Corporation's oil and gas reserves, the Reserves Committee:

- reviews the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities;
- reviews the selection of the qualified reserves evaluators or auditors chosen to report to the Board on the Corporation's oil and gas reserves and resource data; and
- reviews the Corporation's annual reserves and resource estimates prior to public disclosure.

The Reserves Committee has access to the resources and has the authority that is necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants. If such fees and expenses exceed, or are expected to exceed C$150,000, the Reserves Committee must obtain the approval of the full Board.

The Reserves Committee has a written mandate that establishes its purpose, responsibilities and membership. A copy of the mandate is located on the Corporation's website at www.sherritt.com.

HUMAN RESOURCES COMMITTEE

Members: Adrian Loader (Chair), Timothy Baker, Lisa Pankratz

Ms. Marcoux served as Chair of the Human Resources Committee until the 2017 Annual General Meeting, at which time she retired from the Board, in part due to her inability to travel to the United States as a result of her being listed under the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996 of the United States (the ''**Helms-Burton Act**''). Immediately following that meeting, Mr. Adrian Loader was appointed Chair of the Human Resources Committee (''**HRC**''), by the Board and two new members were also appointed to the HRC, Ms. Lisa Pankratz and Mr. Tim Baker. This composition of the HRC provides membership overlap with the Audit and the Environment, Health, Safety and Sustainability Committees, bringing alignment to the discussions and decisions made by the HRC.

The Human Resources Committee's primary role is to assist the Board in fulfilling its oversight responsibilities in respect of all matters relating to director compensation and executive officer performance, evaluation, succession, and compensation, including retirement plans.

The Human Resources Committee is responsible for making recommendations to the Board on the following:

- the Corporation's executive compensation structure, including the balance of fixed and variable elements of compensation for executive officers and other terms and conditions of employment;
- senior executive officer performance evaluations;
- executive officer succession planning;
- design of awards under incentive and equity-based plans, including determining eligible participants;
- awards made to any senior executive officer under a performance based plan, including any adjustment for actual performance;
- directors' compensation, including the adequacy, level and structure of compensation so that the directors' compensation appropriately reflects the responsibilities and risks of being a director and member of a committee; and

- the activities of the Corporation's Management Retirement Committee to ensure the responsibilities of the Board pursuant to its mandate in respect of retirement plans are fulfilled.

The Human Resources Committee has a written mandate that establishes its purpose, responsibilities and membership. A copy of the mandate is located on the Corporation's website at www.sherritt.com.

In addition to its mandate, the Human Resources Committee establishes an annual work plan. Details of the 2017 annual work plan are provided in the table below.

Meeting	Details
At each Regular Quarterly Meeting (indicated by *)	• Management Retirement Committee Report • Equity-based Compensation Report • Human Resources Strategic Initiatives Report • Review year-to-date organizational performance • In-camera sessions without management present
January	• Preliminary review of prior year's organizational performance and the individual performance of each of the senior executive officers, including the Named Executive Officers (''**NEO**'') • In-camera session without management present
February*	• Recommend to the Board approval of prior year short-term incentive awards for senior officers, including the NEOs, in respect of the prior year • Recommend to the Board approval of current year: (i) performance goals; (ii) base salaries, short-term incentive targets and equity-based compensation awards for senior executive officers; and (iii) total inventory for share-based compensation awards available for eligible executives and employees below the level of senior executive officer • Review the compensation comparator group
April*	• Annual review of the Committee's mandate • Review analysis of one and three-year corporate performance relative to comparator group • Review report on governance trends, with particular emphasis on comparator group practices
July*	• Report on 2017 say-on-pay voting results • Review management's in-depth executive compensation report, including the comparator group, solicit input and advice from the independent advisor and made recommendations to the Board • Review the directors' compensation in comparison to the results of the market compensation study, which includes an analysis of the amount, mix and relative market position by function and scope of role
October*	• Advise the Board on management's succession, training and development plans following an in-depth review • Review compensation programs and processes and deliver compensation-related risk report to the Board • Recommend to the Board approval of amendments to the Statement of Investment Policies and Procedures upon the recommendation of the Management Retirement Committee • Review succession planning for the senior executive team • Discussion of CEO succession, in camera

As a former senior executive and director of various public companies, the Human Resource Committee Chair has extensive global business experience, including human resources management and governance in all matters related to executive compensation. Additionally Mr. Loader is a Fellow of the Chartered Institute of Personnel and Development. The other members of the HRC similarly bring a wide range of skills and experience to the HRC (see ''*Information Concerning the Current Board and Sherritt Nominees For Election as Directors — Sherritt Nominees*''). The skills and experience that the HRC brings to decisions include, but are not limited to: industry knowledge; operational experience; human resources management and compensation design experience; financial and risk management knowledge; and international business experience. This diversity of perspectives and experiences of each HRC member facilitates discussions and decisions on the Corporation's compensation policies and practices, and the assessment of organizational and individual performance. For more information on the expertise of the HRC members see ''*About the Board of Directors — Board Skills Matrix*'' above.

The Human Resources Committee has access to the resources and the authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants. If such fees and expenses exceed or are expected to exceed $150,000 in a calendar year, the Human Resources Committee must obtain the approval of the full Board.

Management is invited to attend and present recommendations and updates at every Human Resources Committee meeting. The Human Resources Committee's independent advisor (as described below under ''*Compensation Discussion & Analysis — Compensation Governance — Independent Advisors*'') attend all regular meetings to provide advice and consultation. The Human Resources Committee meets with the independent advisor without management present, and meets *in camera* without management present at each regularly scheduled meeting.

LETTER FROM THE CHAIR OF THE HUMAN RESOURCES COMMITTEE

May 4, 2018

Dear Fellow Shareholders,

This is my first letter to you as the Human Resources Committee (‘‘**HRC**’’) Chair. In June of 2017, as HRC Chair, I welcomed two new HRC members, Ms. Lisa Pankratz and Mr. Tim Baker, who both bring a diversity of knowledge and experience to our discussions, deliberations and decisions.

The objective of this letter is to provide you with the context for the decisions taken by the HRC and Board of Directors with respect to 2017 senior executive officer compensation and our direction for 2018 senior executive compensation. In this process the HRC and Board believe that engaging directly with shareholders is important to get timely and meaningful input, as well as soliciting insights from other stakeholders and advisors.

Shareholders: Since 2014, the Corporation has held non-binding advisory executive ‘‘say-on-pay’’ votes. You, our shareholders, have told us that while there is majority support for our executive compensation policies and programs, there are some aspects of executive compensation that could be improved. The Board is grateful for this feedback which has been taken very seriously. As a result, important changes to Sherritt's executive compensation have been made in recent years. In this circular, you will read about changes made in 2017, as well as some information on additional changes being made for 2018.

During 2017, building on our 2016 shareholder outreach program, we contacted 25 of our largest shareholders representing approximately 42% of issued and outstanding shares. Meetings were offered with the Lead Director and HRC Chair, without Management present, to discuss Board oversight of the Corporation's strategy, performance and executive compensation. Meetings were held with all shareholders who accepted our invitation, representing approximately 25% of issued and outstanding shares. The insights from those meetings provided valuable input for the HRC's and Board's decisions with respect to executive compensation and some changes were consequently made to our compensation programs.

Independent Advisors: The HRC retains Meridian Compensation Partners in the role of independent advisor. The role of the independent advisor is to provide counsel, insight, market trends, analysis and advice to the HRC, in respect of executive compensation. At each HRC meeting, the independent advisor meets with the members of the HRC without management present.

In 2017, the HRC retained an additional independent consulting firm, Hugessen Consulting (‘‘**Hugessen**’’), to provide another perspective on the existing executive compensation philosophy, structure and practices to establish if there were any significant variations from competitive practice and industry norms, including an assessment of the comparator group. The retention of an additional independent advisor reflects the importance the HRC places on having multiple sources of information to ensure a balance of perspectives. The review concluded that Named Executive Officer pay levels are in line with the market, and executive pay plans, policies and disclosure are overall in good shape.

Management: Management prepares regular reports for the HRC's review that provide updates and recommendations for changes to various programs, including executive compensation and retirement plans. All materials prepared by management are reviewed by the HRC's independent advisor who provides the HRC with an independent perspective, including on the recommendations made by management. The HRC has access to members of the management team to better understand the business challenges, test ideas and solicit input.

2017 Performance

The HRC and Board evaluate individual senior executive officer performance in the broader context of longer term strategy execution and organizational performance. For several years, management has been focused on preserving liquidity and managing risk through a prolonged period of low commodity prices. Nickel has been the worst performing of the base metals since the financial crisis. Coupled with this, Sherritt has significant financial exposure to the Ambatovy project and historically high debt levels as a result of the construction of Ambatovy that the current management team has had to manage. The HRC and Board seeks to compensate management on what they can control and for the execution of long-term sustainable solutions to the risks faced by the Corporation. The progress made over the last few years is recounted in the Chairman's letter.

In 2017 significant milestones were achieved that built upon progress in prior years:

- The restructuring of the Ambatovy project and the resulting elimination of $1.4 billion in debt;
- Significant de-risking of Sherritt and its balance sheet;
- Nickel leadership with lowest costs since 2004 at Moa/Fort Site; and
- Extending the life of our oil and gas business in Cuba, acknowledging the difficulties encountered in drilling Block 10.

These 2017 achievements have significantly strengthened the balance sheet and stabilized operations, ensuring Sherritt's longer term viability. While this did not impact total shareholder return in the short-term, Sherritt is now well positioned to be able to take advantage of the increased global demand for Class 1 nickel and cobalt, driven by the electric vehicle battery market, and thus drive future shareholder returns.

2017 Executive Compensation — Highlights

During 2017, the HRC reviewed the principles and design of executive compensation, executive compensation disclosure, and considered input from its independent advisors and shareholders. Specifically, Sherritt's executive compensation philosophy and structure were reviewed by two independent advisors. Based on these reviews, the HRC concluded that, with the changes made to our mid- and long-term incentive plans in 2017, there was no need for further significant changes in either area as the Corporation's overall approach to remuneration is well aligned with shareholder interests, market competitive practices and good compensation governance principles.

Decisions made with respect to the 2017 senior executive compensation recognize the company's recent performance and shareholder experience, while also reflecting the leadership team's commitment to face, head-on, the significant challenges confronting the company and the successful efforts to preserve shareholder value despite unfavorable market conditions. While the HRC believes that the executive compensation structure is competitive, some changes to the structure and metrics have been made in 2017 to better align executive compensation with shareholder interests. Key elements are as follow:

- NEOs base salaries have been maintained at 2015 levels, except for Mr. Snowden who was promoted to the CFO role in January 2017.
- Short-term incentive determination based on defined organizational performance goals:
  - 100% for the CEO (no individual performance component); and
  - 70% for the other senior officers (30% individual performance component).
- For 2017, the CEO voluntarily took a 28% reduction in his short-term incentive award, recognizing market realities and the shareholder experience.
- Significant changes were made to the mid- and long-term incentive program for 2017 awards onwards:
  - 50% of equity-based compensation is now in the form of performance share units;
  - Performance share units are now tied to unit cost of production and relative total shareholder return, equally weighted. If absolute share price performance is negative, payouts for the relative total shareholder return measure are capped at target, regardless of relative performance; and
  - The proportion of total equity-based compensation awarded in the form of stock options was reduced to 25% from 50%.
- Grant date value of mid- and long-term awards for each of the NEOs have been maintained at their respective levels since 2015, except for Mr. Snowden who was promoted to the CFO role in January 2017.

During shareholder consultations there was considerable feedback concerning the comparator group and a detailed review was undertaken that resulted in the removal of nine companies and adding six, with the changes intended to better reflect Sherritt's rather unique industry position. A full discussion of the criteria used and the assessment process follows in the section entitled "*Compensation Discussion & Analysis — Comparator Group*" on page 37.

2018 Compensation

Further review of our compensation practices is planned for 2018 and in some cases changes have already been made for 2018 (details follow starting on page 53):

- Use of stock options have been further reduced to 20% of equity-based compensation for the senior executive officers and the CEO was not granted any stock options for 2018.
  - The long-term incentive structure will be more fully reviewed in 2018, with any changes impacting 2019 equity compensation awards.
- Performance share units comprise 62.5% of the CEO’s 2018 equity-based compensation.
- The CEO’s share ownership requirements extend for one year post-retirement.
- The Executive Supplemental Pension Plan has been closed for future notional contributions.
- The Recoupment Policy (‘‘claw-back’’) was amended to provide for a claw back of overpaid incentive compensation in the event of a restatement of financial statements, whether or not there was misconduct.

As your Corporation continues to evolve, so do our executive compensation practices. There have been significant changes in recent years: accountability for performance is now underpinned by pay differentiation based on organizational and individual performance; strong alignment with shareholders’ interests is reinforced through the increased proportion of equity-based compensation at risk; the more formal shareholder outreach program and increased reliance on quantitative outcomes to inform pay decisions provide both better input and increased transparency; more comprehensive policies communicate our values (e.g. Diversity & Inclusion and Recoupment) and share ownership requirements not only align better with shareholders but also incentivize longer term value creation (e.g., five times the cash retainer for directors and the CEO’s share ownership requirements extending one year post-retirement). These changes have been made to ensure competitive, relevant executive compensation that enables the attraction, retention and motivation of a strong, resilient senior executive team. Given the nature of the Corporation’s business, especially the related commodity cycle, such a team is critical to retain shareholder value when market conditions are challenging and to drive sustainable growth in a more favourable environment.

We will continue to regularly review our executive compensation program to ensure that we remain aligned with market practice and that compensation clearly connects to the long-term strategy and goals of the Corporation including the interests of shareholders. It is our intention to continue the dialogue with you, our shareholders, and we welcome your input.

Yours truly,

WA Loader

Adrian Loader
Human Resources Committee Chair

COMPENSATION DISCUSSION & ANALYSIS

The following Compensation Discussion & Analysis details the compensation for Sherritt's Named Executive Officers ("**NEOs**") in December 31, 2017. For 2017, the NEOs were the following individuals:

- David Pathe, Chairman of the Board, President and Chief Executive Officer ("**CEO**")
- Andrew Snowden, Senior Vice President and Chief Financial Officer ("**SVP & CFO**")
- Steve Wood, Executive Vice President and Chief Operating Officer ("**EVP & COO**")
- Tim Dobson, Senior Vice President, Metals ("**SVP, Metals**")
- Elvin Saruk, Senior Vice President, Oil & Gas and Power ("**SVP, OGP**")

OVERVIEW

Sherritt's compensation philosophy and executive compensation programs pay-for-performance, with performance measured against strategic and annual goals that are aligned to our purpose — to be a low cost nickel producer that creates prosperity for our stakeholders: our investors, our employees and our communities. Performance is measured in three categories: (i) Safety & Sustainability; (ii) Financial; and (iii) Operational. Sherritt's compensation programs are market competitive and reflect evolving best practices.

In 2017, the Corporation continued to face significant financial pressure due to the prolonged commodity market weakness for its principal products and the need to preserve liquidity. The Corporation responded by proactively managing capital spending budgets to defer spending where possible to preserve liquidity, significantly reduced operating and administrative costs in sustainable ways, and continuing to pursue a culture of accountability and pay-for-performance, while focusing on elements within the control of management.

The table below lists the Corporation's 2017 strategic priorities and highlights the Corporation's performance against those priorities in 2017:

STRATEGIC PRIORITIES	2017 TARGETS	2017 PERFORMANCE
• Preserve liquidity and build balance sheet strength	Finalize long-term Ambatovy equity and funding structure	Restructuring of the Ambatovy Joint Venture was completed on December 11, 2017 and resulted in the elimination of $1.4 billion of debt and reduction of Sherritt's ownership interest to 12% from 40%.
	Optimize working capital and receivables collection	Management continues to take action to expedite Cuban energy receipts. Outstanding receivables at year end were US$132.6 million. The year-over-year growth was due to Cuba's reduced liquidity, including the impact of Hurricane Irma and resulting recovery costs had on the country's economy.
	Operate Metals and Power businesses to be free cash flow neutral or better	The Oil and Gas and Power divisions generated positive free cash flow in 2017. The Moa JV generated sufficient operating cash flow to repay $31.7 million on its working capital facility to Sherritt.
• Optimize opportunities in Cuban energy business	Determine future capital allocation based on results from first two wells drilled on Block 10	The results from the first well have provided constructive data to optimize the drilling of the second well, again targeting the Lower Veloz formation. Drilling on the second well at Block 10 has been temporarily suspended to determine the best option to reach the target reservoir. Drilling results from the second well are expected in Q3 2018.

STRATEGIC PRIORITIES	2017 TARGETS	2017 PERFORMANCE
• Uphold global operational leadership in finished nickel laterite production	Further reduce NDCC at Moa and Ambatovy towards the goal of achieving or remaining in the lowest quartile of global nickel cash costs	Q4 NDCC of US$1.80/lb at the Moa JV is the lowest since Q3 2004. Moa's NDCC ranked it within the lowest cost quartile for the third consecutive quarter. Ambatovy's NDCC of US$3.83/lb for 2017 marked an improvement from last year, but was worse than expectations due to lower production and higher maintenance costs.
	Increase Ambatovy production and predictability over 2016	Ambatovy production in 2017 experienced a number of unanticipated challenges and resulted in several unplanned maintenance activities. Initiatives, such as replacing certain equipment, are being implemented to improve asset reliability.
	Achieve peer leading performance in environmental, health, safety and sustainability	In safety, Sherritt met its recordable incident frequency target, but did not meet its injury frequency target for the year. No significant environmental or community-related incidents were recorded in 2017. The company received five distinct honours for leadership in sustainability management and reporting during the year. In 2017, Sherritt joined the Mining Association of Canada (''**MAC**'') and began implementing MAC's Towards Sustainable Mining program, an internationally recognized sustainability standard.

COMPENSATION GOVERNANCE

The HRC is responsible for assisting the Board to fulfill its governance responsibilities in respect of all matters relating to director and executive compensation.

To assist with its duties, the HRC retains Meridian Compensation Partners as its independent advisor. Meridian Compensation Partners (''**Meridian**'') has been the HRC's external compensation consultant since October, 2011 and has not provided any services to management. Meridian's mandate is to provide independent advice to the HRC on executive and director compensation. Meridian attends all regularly scheduled HRC meetings and provides advice to the HRC in respect of the compensation comparator group, benchmarking of executive and director compensation, review of short-term and long-term incentive plan design vehicles and metrics, assessment of compensation risk and compensation governance.

The fees paid to Meridian Compensation Partners in each of the financial years ended 2016 and 2017 are provided in the table below.

	2016	2017
Independent Advisor Fees	$60,495	$70,696
All Other Fees	Nil	Nil
Total Fees Paid	**$60,495**	**$70,696**

Additionally, in 2017, Hugessen was retained by the HRC to undertake an independent review of executive compensation, provide support to the HRC with its direct engagement with shareholders and continued review of compensation disclosure in the circular.

The fees paid to Hugessen in the financial year ended 2017 are provided in the table below:

	2017
Independent Advisor Fees	$47,700
All Other Fees	Nil
Total Fees Paid	**$47,700**

MANAGING COMPENSATION RISK

The HRC is responsible for evaluating compensation-related risk and annually reviews the relationship between risk management policies, corporate strategy and executive compensation. This is achieved by aligning executive compensation programs with the risk assessment approved by the Board as outlined in the mandate of the Board, attached as Schedule ''A''.

Based on its review of enterprise risks, incentive plans, total reward programs and supported by its independent advisor, the HRC has concluded that the Corporation's compensation programs and policies are unlikely to have a material adverse effect on the Corporation by incenting inappropriate risk-taking. Factors considered in arriving at this conclusion include, among other things, the following:

- A strong governance culture which ensures effective oversight;
- Use of balanced measures, including qualitative and quantitative measures and assessment to determine short-term incentives;
- Incorporation of time and performance vesting as part of equity-based compensation programs;
- Equity-based awards that are granted annually and have different vesting provisions to ensure that management remains exposed to the long-term consequences of their decisions through the unvested equity-based awards;
- Share ownership requirements for directors and executives;
- Board review and approval of executive compensation recommendations;
- The Corporation's Insider Trading Policy prohibits directors, officers and other employees from purchasing financial instruments that are designed to hedge or offset a decrease in the market value of Shares and restricts the pledging of Shares; and
- A claw-back policy that permits recoupment of short and long-term incentive compensation if there is a restatement of financial results that would have resulted in less compensation awarded to the senior executives.

EXECUTIVE COMPENSATION BENCHMARKING

Executive compensation benchmarking provides information on prevalent market practices including: levels of pay, the mix of pay components, the design of performance-based components, etc. Executive compensation benchmarking is an input into the executive compensation decisions made by the HRC and the Board.

For purposes of benchmarking executive compensation, two main sources are considered: (i) proxy data from the comparator group outlined below and (ii) Korn Ferry Hay Mining Compensation Review, Global Executive Report (''**Hay Survey**''). Supplementing the proxy data with the results from the Hay Survey enables a broader view of the market and a more position specific analysis for certain executive roles. The Hay Survey provides pay data by function, by size of role and geographical location. The Hay Survey includes pay data for 75 global mining organizations.

While the HRC views market pay data from the compensation comparator group and compensation surveys as important sources of information, and views the median as point of reference, it does not set pay at a specific percentile. Senior executive compensation is set by the HRC considering several factors, including market data, executive experience in and scope of the role, sustained executive performance, internal equity and criticality of the role and retention risk.

The HRC's and Board's independent advisor provides additional market insights on senior executive compensation and market context.

COMPARATOR GROUP

The purpose of the compensation comparator group is to provide market competitive context for assessing NEO and director compensation. Each year the comparator group is carefully reviewed to ensure it continues to reflect Sherritt's size, complexity, operations, geographic scope and competitors for business and executive talent.

It is a challenge for Sherritt to establish a compensation comparator group that captures the diverse nature and complexity of its operating assets in nickel, cobalt, oil and gas/power, the geographical distribution of those operations being Canada, Cuba and Madagascar, and the proportion of Sherritt's businesses that are conducted through joint ventures.

There are very few public nickel companies and Sherritt competes with all mining companies of other commodities for talent. Sherritt's high legacy debt levels from Ambatovy and the relative underperformance of nickel compared to other metals significantly impedes Sherritt's share price and market capitalization. Companies with similar levels of market capitalization do not reflect the complexity of operating multiple assets, producing multiple products, in multiple jurisdictions. Sherritt is Cuba's largest foreign investor and no other public company has such an exposure to Cuba and the consequent challenges in the United States. Additionally, Sherritt's inability to access United States capital markets or banks with significant United States operations limits the ability to access credit and makes managing liquidity more difficult. None of the comparators has these unique challenges.

International Financial Reporting Standards (''**IFRS**'') requires Sherritt to report its financial results in a way which does not fully reflect the complexity of the Corporation and accountabilities of Management. This makes a comparison of financial metrics to assess an appropriate compensation comparator group additionally challenging. Due to the joint venture accounting requirements of IFRS, reported Revenue excludes all revenue generated by the Moa and Ambatovy Joint Ventures. In addition, for the same reason, Sherritt's IFRS reported Total Assets understates Sherritt's proportionate share of the assets of the Moa and Ambatovy joint ventures by netting out the liabilities of Moa and Ambatovy within the Investment in Joint Venture and Investment in Associate line items on Sherritt's balance sheet. The HRC believes these IFRS accounting requirements understate financial metrics used for the purposes of determining a compensation comparator group.

The table below compares Sherritt's Revenues and Total Assets used for determining the compensation comparator group using three different approaches:

1. As reported on Sherritt's IFRS Financial Statements.
2. Adjusted to include the revenue and assets of the Moa and Ambatovy Joint Ventures based on Sherritt's 50% and 12% ownership interest, respectively.
3. Adjusted to reflect Management's operating responsibilities at the Moa and Ambatovy Joint Ventures, this approach includes these Joint Ventures on a 100% basis.

December 31, 2017 **$ milions**	**Sherritt reported (IFRS)**	**Sherritt's Ownership interest**	**Sherritt's operating responsibilities**
Revenue	267	725	1,730
Percentile Rank: 2017 Peer Group	15%	43%	84%
Total Assets	2,245	2,694	9,253
Percentile Rank: 2017 Peer Group	40%	49%	Highest

The HRC believes this information is relevant in the context of interpreting the comparator group data. Revenue for Sherritt relative to comparators who do not produce nickel as their primary product is also affected by the poor performance of the market price for nickel relative to that of other metals. For further information on nickel price performance see page 62.

An updated comparator group was developed in 2017 considering these unique challenges, and with the input of both Meridian and Hugessen. This group has significantly changed from the prior comparator group, which had been criticized as being aspirational.

The group was developed using a multi-dimensional approach based on the following principle criteria:

Principle Criteria	Dimensions	Rationale
❶ Financial	Total Assets: Ranging between $3 – $10B to capture Sherritt's operating assets of approximately $10B, which represents both Moa and Ambatovy joint venture assets on a 100% basis Total Enterprise Value: Ranging between ½ to 2 times Sherritt's TEV	Assets best represent Sherritt's size, scope and complexity as joint venture accounting rules result in an understatement of revenue, as revenue is subject to equity accounting
❷ Industry	Nickel producers, to the extent feasible	Such comparators would best reflect comparable sensitivity to nickel price in their performance results
❸ Operational	Geographic scope Challenging jurisdictions Number of business units / metal mix	The three operational dimensions, collectively are a proxy for the complexities of Sherritt's business
❹ External	Inclusion in relevant comparator groups	''Peer of peer''
❺ Stock listing	Publicly traded on a Canadian stock exchange	Operating in the same regulatory context provides consistency in disclosure amongst the comparators

The compensation comparator group was updated by removing nine of the largest companies and adding six who scored highest against the above criteria which resulted in a comparator group that better reflects the size and scope of the Company's operations. The table below sets out the 16 companies in the 2017 peer group, summarizes key financial metrics for each company, and highlights Sherritt's percentile rank on those key metrics.

(S millions)	Assets(1)	Revenue(1)	Enterprise Value(1)
Alamos Gold Inc.	$3,078	$ 642	$2,569
Cameco Corporation	$7,779	$2,157	$6,011
Capstone Mining Corp.	$1,756	$ 680	$ 924
Centerra Gold Inc.	$3,477	$1,504	$2,531
Dundee Precious Metals Inc.	$1,059	$ 437	$ 447
Enerplus Corporation	$2,552	$ 819	$3,157
Frontera Energy Corporation	$3,183	$1,491	$1,749
Gran Tierra Energy Inc.	$1,779	$ 483	$1,362
Hudbay Minerals Inc.	$5,739	$1,581	$3,598
IAMGOLD Corporation	$4,919	$1,320	$2,989
Ivanhoe Mines Ltd.	$1,218	$ 0	$3,001
Lundin Mining Corporation	$7,884	$2,605	$5,785
Nevsun Resources Ltd.	$1,514	$ 306	$ 883
New Gold Inc.	$5,401	$ 891	$3,364
Pan American Silver Corp.	$2,386	$ 977	$3,017
Primero Mining Corp.	$ 498	$ 206	$ 163
Sherritt International Corp	**$2,245**	**$ 267**	**$2,241**
Percentile Rank	40%	15%	39%

Note:

(1) All financial data sourced from S&P Capital IQ, as reported by each company as of December 31, 2017. All financial data is shown in Canadian dollars. Assets represent the latest quarterly disclosure, revenue is trailing twelve months, and both enterprise value and market capitalization are measured as 6-month averages ending December 31, 2017.

By contrast the table below illustrates the companies removed from the comparator group, key financial metrics and Sherritt's percentile rank relative to those key metrics.

(S millions)	Assets[(1)]	Revenue[(1)]	Enterprise Value[(1)]
Agnico Eagle Mines Limited	$ 9,864	$2,812	$13,649
ARC Resources Ltd.	$ 6,224	$1,123	$ 6,238
Crescent Point Energy Corp.	$15,945	$2,701	$ 9,155
Eldorado Gold Corporation	$ 6,377	$ 506	$ 1,746
First Quantum Minerals Ltd.	$27,117	$4,151	$17,713
Katanga Mining Limited	$ 7,418	$ 22	$ 5,596
Kinross Gold Corporation	$10,230	$4,142	$ 7,568
Obsidian Energy Ltd.	$ 3,069	$ 409	$ 1,089
Yamana Gold Inc.	$10,990	$2,262	$ 5,264
Sherritt International Corp	**$ 2,245**	**$ 267**	**$ 2,241**
Percentile Rank	Lowest	16%	21%

Note:

(1) All financial data sourced from S&P Capital IQ, as reported by each company as of December 31, 2017. All financial data is shown in Canadian dollars. Assets represent the latest quarterly disclosure, revenue is trailing twelve months, and both enterprise value and market capitalization are measured as 6-month averages ending December 31, 2017.

The changes to the comparator group result in a mix of sixteen companies that aim to represent the scope and complexities of Sherritt's global operations. By necessity, the group includes companies that produce different commodities from those Sherritt produces. While the HRC and management believe that this comparator group reflects the best available group for pay level consideration, it is not an entirely appropriate performance comparator given the mix of commodities produced by the comparators.

EXECUTIVE COMPENSATION

Executive compensation at Sherritt is principle-based and grounded in sound executive compensation practices. It is aligned to the strategic priorities of the Corporation; aligns the interests of shareholders and executives while acknowledging the degree of influence over outcomes an executive has (line-of-sight); balances risks and rewards; differentiates on the basis of size and complexity of role and performance; recognizes the time horizon of executive roles; is market competitive; and is underpinned by a disciplined governance process led by the HRC and Board, including a strong performance management process.

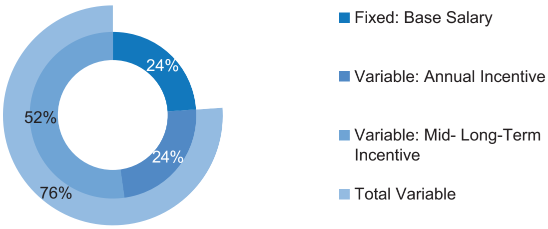
The objective of the executive compensation program is to attract and retain a strong, focused and resilient executive team, to lead the Corporation through all phases of the commodity cycle. To achieve the objectives of the executive compensation program, the following are the foundational elements of the program:

- **Provide an appropriate mix of fixed and performance-based compensation.** The proportion of fixed and variable performance-based compensation elements is aligned to the complexity and time horizon of the executive's key responsibilities thereby aligning their focus on mid- to long-term success and sustainability of the Corporation. To ensure competitiveness the mix of compensation is benchmarked to the market.

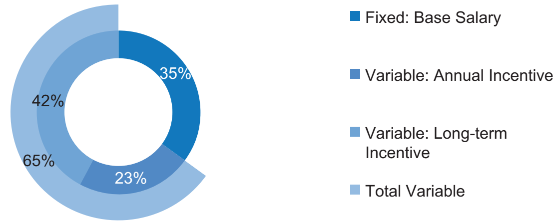
  As senior executive officers have greater influence on organizational performance over the long-term, their compensation mix is more heavily weighted towards variable compensation and mid- and long-term elements of compensation. The 2017 mix of fixed and variable compensation at target performance is illustrated below for the

CEO and the average mix for the other NEOs. Each NEO's actual 2017 pay mix follows in their respective individual sections beginning on page 54.

CEO: Pay Mix



Other NEO: Pay Mix



- **Supported by a strategic, vertically aligned goal setting and performance management process.** The Corporation's strategic plan and annual business plan is reviewed annually and approved by the Board. Annual performance goals are defined from the strategic plan and the annual business plan and these goals are cascaded to the senior executive team and onward to their respective teams. The HRC and Board provide clarity of performance expectations by considering the views and expectations of shareholders, and reviewing and approving the individual annual performance goals for the members of the senior executive team, including those of the NEOs.
  - **CEO:** Immediately following the end of the fiscal year, the CEO prepares his self-assessment of his achievements against his goals and reviews the same with the HRC Chair. In parallel, the HRC Chair discusses the CEO's individual performance with each independent director. While the outcome of the CEO's individual performance assessment does not directly impact his short-term incentive award (which is based on 100% organizational performance), it provides a formal opportunity to provide the CEO with performance feedback and is a qualitative input for the HRC and Board to consider when making compensation decisions, other than short-term incentives, including base salary, mid- and long-term incentive award grants.
  - **Other Senior Executive Officers, including the NEOs:** Immediately following the end of the fiscal year all senior executive officers prepare self-assessments of their achievements measured against their personal goals for review with their immediate managing executive. The CEO, in consultation with the EVP & COO for the divisional executives, prepares recommendations for base salary, short-, mid- and long-term incentive awards for the senior executive officers taking into consideration the growth of individual capabilities, and organizational and individual performance. The CEO makes his recommendations to the HRC and Board for approval during the February HRC and Board meetings.

All aspects of executive compensation are regularly reviewed to ensure continued focus on the success and sustainability of the Corporation. This is achieved by establishing a link between performance and pay while building equity ownership.

For more information about how performance is measured, please see "*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Mid- and Long-Term Incentive Awards*" below.

2017 Components of Executive Compensation

Executive compensation consists of a number of components described in the table below.

Component	Purpose	Form of Award	Performance Period	Payment
Base Salary	Compensates executives for capabilities, skills and accountability required of their roles.	Cash	One Year	Fixed — enables differentiation on the basis of role size and complexity, demonstrated skills and capabilities of the executive.
Short-Term Incentive	Rewards executives for meeting or exceeding annual goals and progress towards strategic initiatives.	Cash	One Year	Variable and performance-based — award based on achievement of annual goals. Actual award value can range from 0% – 200% of target.

Component	Purpose	Form of Award	Performance Period	Payment
Mid-Term Incentive	Rewards executives for creating mid-term Shareholder value and provides retention.	RSUs	Three years	Variable and time-based — payout value of the award depends on share price at vesting. For more information please see ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Mid- and Long-Term Incentive Awards*''. Settled in cash.
		Performance Share Units (''**PSU**'')	Three years	Variable and performance-based — payout value of PSU awards depends on share price at vesting, the relative total shareholder return (''**RTSR**'') and unit cost of production performance over the vesting period. For more information please see ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Mid- and Long-Term Incentive Awards*''. Settled in cash.
Long-term incentive	Rewards executives for creating long-term Shareholder value	Stock Options	Ten years with ⅓ vests on the first 3 annual anniversaries of the grant	Variable and performance-based — Realized value depends on the appreciation of the share price from the time of grant to the time of exercise. Stock options only have value if share price increases. Settled through issuance of treasury shares.
Health, Retirement Savings and Well-being Benefits	Health, Dental, Disability and Life Insurance invests in the executive's health and well-being	In kind	Ongoing	Values are not grossed-up for tax purposes.
	Retirement savings are an important source of retirement income	Cash	Ongoing	An amount equal to 12% of the executive's base salary is directed to a retirement savings program. For more information, please see ''*Compensation Discussion & Analysis — Executive Compensation — Retirement Savings*'' found on page 44.
	Perquisite allowance is in lieu of car allowances, etc.	Cash	Ongoing	Fixed — value determined by executive level.
Expatriate Premiums and Allowances	Recognizes the personal adjustment required for the executive and his/her family inherent with an international assignment	Cash	Duration of assignment	Fixed — value determined by assignment location.

Base Salary

Base salaries are reviewed annually, typically at the beginning of each year and are only adjusted to reflect an executive's consistently demonstrated increased capabilities, expertise and leadership in the execution of the executive's role and/or to reflect changes in the scope of the role or market.

Short-Term Incentive

Short-term incentives (''**STI**'') reward executives, including the NEOs, for their contribution towards achieving annual operating goals and progress towards multi-year strategic initiatives. STI target awards are set as a percentage of base salary and award payouts can range from 0% to 200% of target awards with target performance aligned to 100%.

The value of STI awards is determined based on the following:

- Organizational performance is measured at the Corporation-wide and at the Divisional level on a quantitative and qualitative basis. Safety and sustainability, financial and operational targets are established at the beginning of each fiscal year and align with the Corporation's strategic priorities. Organizational performance against the targets is monitored by the HRC and the Board as a regular item on each quarterly agenda of the HRC and the Board.
- Individual performance is measured against personal goals which are established at the beginning of each fiscal year and are aligned with the Corporation's annual strategic priorities.

The weightings of organizational and individual performance components vary by the level of the executive based on the executives' line-of-sight and functional accountabilities. See page 50 below for the individual weightings of the performance components for each NEO.

STI award payouts are approved annually at the February HRC and Board meetings following the close of the fiscal year. Actual performance results and corresponding performance scores are reviewed in the context of the overall market and the experience of shareholders during the fiscal year, global economic conditions and the Corporation's response to the same. The HRC and the Board make their final determinations by applying sound business judgment considering input from management and from their independent advisor(s). The Board has discretion to adjust awards up or down based on this qualitative overlay.

Mid- and Long-Term Incentives

Mid- and long-term incentives are variable as the payout value of the award is based on share price and/or performance factors. Effective 2017, the equity compensation mix for the senior executive officers has been changed. For more information see ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Mid- and Long-Term Incentive Awards*'' starting on page 50.

Awards granted under the mid- and long-term incentive programs are aligned with the following compensation principles:

- Align with shareholder interests through share-based awards;
- Reward for contributions by recognizing the achievement of mid- and long-term corporate and strategic goals; and
- Support retention through deferred vesting and settlement.

Mid- and long-term incentives are forward-looking and annual grants are determined at the February HRC and Board meetings. The value of mid- and long-term awards at grant are aligned with the senior executive officer's level of work and consistently demonstrated capabilities assessed against the position's requirements.

Well-being Benefits

All employees, including the NEOs, participate in, or are eligible for health, retirement savings, paid vacation and other well-being benefit programs. The programs include medical and dental benefits, disability coverage, life and accident insurance coverage, retirement savings, share ownership plan and international assignment allowances (as applicable). In 2017, the medical, dental and long-term disability coverage was changed to a flexible benefits plan, with employees choosing the level of coverage that best suits their needs. Cost sharing was introduced for the highest level of medical coverage offered.

For executives, a voluntary executive medical is paid for by the Corporation, which is not grossed up for tax purposes. All benefits, retirement savings and other well-being benefits are benchmarked to market and form part of our competitive total rewards offering.

All employees, including the NEOs have the opportunity to purchase Shares through the Employee Share Ownership Plan (“**ESOP**”) which was introduced in 2014.

	ESOP
Description	Employees, including executives, who voluntarily choose to participate, direct up to 10% of their base salary for the purchase of Shares. The Corporation matches 50% of the employee contribution, up to a maximum of $2,500 per calendar year.
Securities	Shares are purchased at the time the contribution is made. The timing of the contributions is linked to the participant’s pay date. Shares are bought on the open market.
Purchase Price	The purchase price is the price of Shares at the time of purchase on the open market.
Restrictions/Limitations	Participants cannot sell or transfer Shares purchased with employer contributions until they have participated in the ESOP for 24 consecutive months. Enrolment and changes to the employee’s participation are subject to the Corporation’s Insider Trading Policy.
Cancellations	Employees can cancel their participation at any time, subject to restrictions/limitations noted above. If an employee cancels participation in the plan prior to making 24 consecutive months of contributions, Shares purchased with employer contributions are forfeited.
Amendments and Variations	The Board may amend the ESOP at any time.

Retirement Savings

The retirement program is an employer-paid savings program. Contributions are a fixed percentage of base salary and are determined based on market practice.

	Group Retirement Savings Plan (“Group RSP”)	Executive Supplementary Pension Plan (“ESPP”)
Eligibility	All Canadian-based employees, including the NEOs.	Senior executives who are subject to Canadian tax rules and whose Group RSP contributions exceed the limits prescribed by the *Income Tax Act* (Canada).
Description	Contributions are made on behalf of the employee to the employee’s individual account under a Group RSP.	Notional credits are made to the executive’s ESPP account on a pre-tax basis.
Contributions	An amount equal to a fixed percentage of base salary is invested, as directed by the employee, into investment funds which they select from an approved list established by the Management Retirement Committee.	Executive directs the investment of notional credits to the same investment choices as offered under the Group RRSP.
Withdrawal	Funds can be withdrawn at any time.	Upon cessation of employment the value of the account is paid out and all such payments are fully taxed at employment rates.
Changes for 2018		Effective January 1, 2018, the Plan has been closed to future notional credit contributions. Existing accounts remain intact and will be paid out in accordance with the terms of the plan. Amounts previously directed to ESPP accounts will be contributed to a non-registered account maintained by the Group RSP provider.

Perquisite Allowance

Executives do not receive a car allowance, club membership, other privileges or any other typical perquisites. In lieu of such perquisites, executives are eligible to receive a fully-taxable perquisite allowance that allows the individual executives to select perquisites that best suit their requirements. The allowance is determined by executive level and market practice.

Expatriate Premiums and Allowances

Various expatriate premiums and allowances are provided to certain employees on international assignments. These premiums and allowances are designed to recognize the mobility, security, challenging working conditions and remoteness experienced by the employee and their families. Expatriate premiums and allowances vary depending on the foreign assignment location.

2017 EXECUTIVE COMPENSATION DECISIONS

2017 Base Salaries

Base salaries are reviewed in the first quarter of the fiscal year and during the year as appropriate. The HRC and Board considered the base salaries of each of the NEOs and determined that salaries for our NEOs (except for the CFO) are being maintained at 2015 levels.

	2015	2016 Base Salary	2017 Base Salary
David Pathe	$825,000	$825,000	$825,000
Andrew Snowden(1)	N/A	N/A	$350,000
Steve Wood	$450,000	$450,000	$450,000
Tim Dobson	$400,000	$400,000	$400,000
Elvin Saruk	$380,000	$380,000	$380,000

Note:

(1) Mr. Snowden was promoted to SVP & CFO January 1, 2017. He received a base salary increase to $350,000 per annum effective November 1, 2017 in recognition of his demonstrated capabilities in the role.

2017 Short-Term Incentive Awards

— Target Awards

Each NEO has a STI target, expressed as a percentage of base salary. The establishment of STI targets is a function of market, internal relativity, individual experience in the role and performance. The current STI target awards for each of the NEOs, other than the CEO and CFO, were established in 2013. The CEO's STI target percentage has not changed since 2009. The following table summarizes the STI targets for each NEO.

	2017 STI Target as a Percentage of Base Salary
David Pathe	100%
Andrew Snowden(1)	45%
Steve Wood	70%
Tim Dobson	60%
Elvin Saruk	60%

Note:

(1) Mr. Snowden was promoted to the SVP & CFO role January 1, 2017. His 2017 STI target reflects his short tenure in the role and increased to 50% effective January 1, 2018.

— The 2017 STI Performance Measures

Organizational performance is measured and monitored throughout the fiscal year with reference to the performance scorecard which includes safety, sustainability, financial and operational measures to provide a balanced view of performance and to reinforce that financial and production goals must be achieved safely, reliably and in a sustainable manner. The measures are both quantitative and qualitative and are assessed at the Corporation-wide and / or divisional level, as appropriate for the specific measure.

Organizational performance focuses on annual operating goals aligned with the Corporation's strategic priorities.

The table below details the specific STI performance measures.

	Corporation-wide Measures[1]	Operational / Divisional Measures
Financial	**Adjusted EBITDA:** Represents a proxy for cash generated by the Corporation's operating activities (on an accrual basis), a standard industry metric. **Combined Free Cash Flow:** The cash generated or used by all business units (Moa JV and Fort Site, Ambatovy, Oil & Gas, Power and Corporate).	**Sustaining Capital Spend:** The amount spent to maintain designed production or profitability levels
Operational		**Safe and Sustainable production:** Safety is measured by the frequency of Lost Time Incidents (''**LTI**'') per the hours typically worked by 100 people over a one year period. Environment is measured by the number of high severity environmental incidents. **Production volume:** Measures production volume against target. **Unit cost of production:** Represents the Corporation's performance in managing operating costs relative to production levels. For Ambatovy and Moa, adjusted net direct cash cost (''**Adjusted NDCC**'') uses budgeted commodity prices to exclude the impact of commodity price fluctuations outside of management's control, and certain other cost and revenue factors that are considered to be outside of management's control, as a more accurate measure of cost efficiency.

Note:

(1) For more details see the ''Non-IFRS Measures'' section in the 2017 Management's Discussion and Analysis. The ''adjustment'' is made to represent Sherritt's proportionate share in the Ambatovy and Moa Joint Ventures.

— The 2017 STI Performance Measure Weightings

The weightings of the performance measures for the STI reflect the Corporation's strategy of sustainable, safe, low cost production.

Corporation-wide	Measure	Weighting
Safety & Sustainability	LTI	12.5%
	Environment Incidents	12.5%
Financial	Adjusted EBITDA	37.5%
	Combined Free Cash Flow	37.5%
		100.0%
Operational/Divisional		
Safety & Sustainability	LTI	15.0%
	Environment Incidents	15.0%
Financial	Sustaining Capital Spend	30.0%
Production	Production Volume	20.0%
	Unit Cost of Production	20.0%
		100.0%

— The 2017 STI Performance Assessment

A disciplined ongoing assessment of organizational performance provides the context for ensuring the appropriate correlation between annual performance and STI awards. The assessment of performance starts with quarterly reviews by the HRC and the Board consisting of the quantitative performance results which compare the quarterly results to target, any variance and management's qualitative commentary. This process provides the opportunity for feedback and to make course corrections, as required, to ensure that performance expectations remain aligned with organizational goals.

At the February meeting of the HRC, the full year quantitative performance results are reviewed which are then considered in the broader context of the overall business, the quality of the decisions taken, risk mitigation and other factors beyond the control of the Corporation and the Corporation's response to the same.

Actual performance is measured as a percentage of target performance from which a pay score is calculated. The relationship between performance and pay is calibrated to reflect whether the measure is more or less within the control of management. For those measures more within the control of management threshold performance is set closer to target, as there is less tolerance for performance outside a reasonable expected range of performance. For those measures over which management has less control, the expected performance range is broader, providing a wider range of expected performance.

The table below illustrates the conversion of performance into a pay score for each STI measure.

Measure		Below Threshold	Threshold	Target	Maximum	Above Maximum
• Adjusted EBITDA • Combined Free Cash Flow • Sustaining Capital Spend	Performance	< 50%	50%	100%	150%	>150%
	Pay Score	0%	50%	100%	150%	150%
• Production Volume • Unit Cost of Production	Performance	< 80%	80%	100%	120%	>120%
	Pay Score	0%	50%	100%	150%	150%

Note: Pay scores for performance between threshold and maximum are calculated on a straight-line basis. For performance scores below the threshold the resulting Pay Score is zero and for performance greater than the Maximum the resulting Pay Score is capped at 150%.

— The 2017 STI Organizational Performance Results

At the February 2018 meetings of the HRC and Board determined the 2017 short-term incentive pay scores for the organizational components of the senior executives 2017 STI awards.

Corporation-wide

The table below highlights the measures, target (threshold and maximum), actual 2017 performance and the resulting pay score for the Corporation-wide component of the 2017 STI award.

Corporation-wide

Measure		Target		2017 Performance	Quantitative Score	Pay Score		Weight		Total
Safety & Sustainability										
Safety		0.11		0.12	91%	91%	x	12.5%	=	11%
Environment		Zero		Met Target	100%	100%	x	12.5%	=	13%
Financial (millions)	Threshold	Target	Maximum							
Adjusted EBITDA	$80.50	$161.0	$241.5	$166.0	103%	103%	x	37.5%	=	39%
Combined Free Cash Flow	–$60.0	–$40.0	–$20.0	–$52.5	71%	71%	x	37.5%	=	27%
					Corporation-wide Pay Score					**89%**

Note: Totals may not sum, due to rounding.

Safety and Sustainability: The Corporation's focus on safe and sustainable production has resulted in an overall strong year compared to our peers, however Sherritt's safety performance was below expectations. Sherritt's commitment to zero harm has resulted in extensive safety interventions, updated procedures and practices, all of which support the further enhancement of the priority on safety. Sherritt received international recognition for its sustainability programs, being named a Future 40 Sustainability Leader by Corporate Knights and Shortlisted by the Museum of Nature for the Nature

Inspiration Award for sustainability management. Additionally, the 2016 Sustainability Report received three separate awards from American Society of Professional Communicators for narrative and design, including Best Corporate Social Responsibility Report in 2017.

Financial: The ownership restructuring of Ambatovy was of vital strategic importance to the Corporation in order to address the legacy debt burden. The Ambatovy ancillary closing costs ($11.3 million) were not in the target (budget) because they could not have been estimated when the budget was put together 16 months earlier. The impact of the Ambatovy closing costs were qualitatively assessed by the HRC and are reflected in the company-wide financial measures in the above table.

Moa/Fort Site

The table below highlights the measures, target (threshold and maximum), actual 2017 performance and the resulting pay score for Moa/Fort Site organizational performance.

Moa/Fort Site		Target		2017 Performance	Quantitative Score	Pay Score		Weight		Total
Safety & Sustainability										
Safety		0.31		0.34	77%	77%	x	15.0%	=	12%
Environment		Zero		Met Target	100%	100%	x	15.0%	=	15%
Financial (millions)	Threshold	Target	Maximum							
Sustaining Capital Spend	$43.7	$29.1	$14.55	$23.9	118%	100%	x	30.0%	=	30%
Operational	Threshold	Target	Maximum							
Production (tonnes)	13,748	17,185	20,622	15,762	92%	80%	x	20.0%	=	16%
Adjusted NDCC (US$/lb)	$4.18	$3.48	$2.78	$3.25	107%	118%	x	20.0%	=	24%
						Moa/Fort Site Pay Score				**96%**

Note: Totals may not sum due to rounding.

While Moa/Fort Site's rolling 12-month LTI statistic was aligned with industry norms at 0.31, that figure was a slight increase over 2016, resulting in a 77% safety score, despite the renewed focus on safety. Various safety practices, procedures and activities are underway to instill a stronger safety culture at both locations. The environmental record at both locations resulted in a score at target. Sustaining capital expenditures were better than target and were determined to have been appropriately managed in the context of preserving liquidity and therefore performance was determined qualitatively assessed to be target performance. Production was below target and within the low end of 2017 guidance. The production shortfall was due mainly to heavy rains at the mine site and ore quality. Adjusted NDCC benefited from a higher than budget cobalt-nickel ratio and lower fixed costs resulting in a score above target.

Ambatovy

The table below highlights the measures, target (threshold and maximum), actual 2017 performance and the resulting pay score for Ambatovy's organizational performance.

Ambatovy		Target		2017 Performance	Quantitative Score	Pay Score		Weight		Total
Safety & Sustainability										
Safety		0.01		0.00	100%	100%	x	15.0%	=	15%
Environment		Zero		Met Target	100%	100%	x	15.0%	=	15%
Financial (millions)	Threshold	Target	Maximum							
Sustaining Capital Spend	$81.2	$54.1	$27.1	$44.2	118%	118%	x	30.0%	=	35%
Operational	Threshold	Target	Maximum							
Production (tonnes)	17,270	21,588	25,906	13,618	63%	0%	x	37.5%	=	0%
Adjusted NDCC (US$/lb)	$4.04	$3.37	$2.70	$5.20	46%	0%	x	37.5%	=	0%
						Ambatovy Pay Score				**65%**

Note: Totals may not sum due to rounding.

Ambatovy continued with strong safety and sustainability performance throughout the year resulting in target scores on both measures. The leadership aggressively managed the sustaining capital budget, mindful of cash calls and the collection of receivables resulting in above target performance. Production performance was challenging in 2017, which is reflected in the scores above, with neither the Production nor Adjusted NDCC metrics achieving a payout score. There were no adjustments to any of the quantitative scores for Ambatovy.

Oil & Gas and Power

Oil & Gas and Power are combined as the two operations are integral parts of our Cuban energy business and they share a common infrastructure and leader. The ratio relative to the financial contributions of the two divisions is approximately 8:1 and therefore the combined score for Oil & Gas and Power on a weighted basis is shown below following the discussion on each respective division's targets, performance and scores.

— Oil & Gas

The table below highlights the measures, target (threshold and maximum), actual 2017 performance and the resulting pay score for Oil & Gas organizational performance.

Oil & Gas		Target		2017 Performance	Quantitative Score	Pay Score		Weight		Total
Safety & Sustainability										
Safety		0.21		0.00	100%	100%	x	15.0%	=	15%
Environment		Zero		Met Target	100%	100%	x	15.0%	=	15%
Financial (millions)	Threshold	Target	Maximum							
Sustaining Capital Spend	$50.3	$33.5	$16.8	– $1.7	205%	100%	x	30.0%	=	30%
Operational	Threshold	Target	Maximum							
Production (bopd)	10,118	12,648	15,178	13,479	112%	130%	x	20.0%	=	26%
Unit Cost of Production ($/bbl)	$13.31	$11.09	$8.87	$9.78	107%	118%	x	20.0%	=	24%
						Oil & Gas Pay Score				**110%**

Note: Totals may not sum due to rounding.

Oil & Gas produced strong safety and sustainability performance throughout the year, resulting in target scores on both measures. Actual reported sustaining capital was an inflow of $1.7M due to accounting entries related to rig costs, and determined qualitatively to be target performance. Production exceeded target and was within the mid-range of 2017 guidance with the unit cost of production better than target.

— Power

The table below highlights the measures, target (threshold and maximum), actual 2017 performance and the resulting pay score for Power organizational performance.

Power		Target		2017 Performance	Quantitative Score	Pay Score		Weight		Total
Safety & Sustainability										
Safety		0.20		0.23	85%	85%	x	15.0%	=	13%
Environment		Zero		Met Target	100%	100%	x	15.0%	=	15%
Financial (millions)	**Threshold**	**Target**	**Maximum**							
Sustaining Capital Spend	$6.2	$4.1	$2.05	$1.5	163%	100%	x	30.0%	=	30%
Operational	**Threshold**	**Target**	**Maximum**							
Production (GWh)	728	910	1,092	848	93%	82%	x	20.0%	=	16%
Unit Cost of Production ($/MWh)	$24.79	$20.66	$16.53	$19.29	107%	118%	x	20.0%	=	24%
						Power Pay Score				**98%**
						OGP Combined				**107%**

Note: Totals may not sum due to rounding.

Power experienced an increase in safety LTIs in 2017, which is inconsistent with prior safety experience. Plans have been put in place to rectify the situation. It was previously announced that there was a fatality at the Power facility; however, subsequent investigations determined that the death was not an industrial fatality. Those investigations did however highlight the need for renewed focus on safety culture and certain safety procedures. Sustaining capital in the Power business in 2017 is primarily determined by the timing of substantive maintenance activities on the turbines. Sustaining capital expenditures were managed appropriately and performance was determined qualitatively to be at target. Production was below target and Unit Cost of Production was better than target, with both being within the performance range.

On a combined basis Oil & Gas and Power scored 107%.

— The 2017 STI Individual Performance Results and STI Awards

The weightings of organizational and individual performance components vary by the level of the executive based on the executive's line-of-sight and functional accountabilities. The table below illustrates the weightings of the performance components for each of the NEOs.

	Company-wide	Operational / Divisional[(1)]	Individual
CEO	50%	50%	0%
SVP & CFO	35%	35%	30%
EVP & COO	35%	35%	30%
SVP, Metals	25%	45%	30%
SVP, OGP	25%	45%	30%

Note:

(1) For the CEO, SVP & CFO and EVP & COO the Operational measure is the average of the operating divisions' results. For the SVP, Metals and SVP, OGP the Operational Level measure is the result for their respective division.

The NEOs other than the CEO have an individual performance STI component and performance is assessed by their immediate leader and a performance rating recommended to the HRC. Performance is measured against both the annual goals that are set at the beginning of the year, the day-to-day execution of the position and the consistent demonstration of leadership capabilities, including focus on safety, operational excellence, operational effectiveness, leadership, tone from the top, etc. For individual performance that meets expectations the range for the individual component is 80% – 120%. The individual goals and performance can be found in the individual NEO section beginning on page 54.

The table below summarizes the calculations for the 2017 STI awards for the NEOs and the reduction of the CEO's 2017 STI award to the same level as his 2016 STI award.

As detailed in the table below, following determination of the CEO's 2017 STI award at $734,250, the CEO requested that the HRC and Board reduce his 2017 STI to the same value as his 2016 award in recognition of the ongoing financial challenges of the Corporation and the experience of shareholders over the last few years. The HRC and Board accepted his request and approved an award of $536,250.

		STI Target		Scores and Weightings							
NEO	Base Salary	% Base Salary	$ Value	Corporation-wide Score	Weighting	Operational / Divisional Score	Weighting	Individual Score	Weighting	2017 STI Award	% of Target Award
David Pathe	$825,000 x	100% ➔	$825,000 x	[(89% x	50%) +	(89% x	50%) +	(N/A x	N/A)]	= ~~$734,250~~ $536,250	~~89%~~ 65%
Andrew Snowden	$308,333 x	45% ➔	$138,750 x	[(89% x	35%) +	(89% x	35%) +	(100% x	30%)]	= $128,066	92%
Steve Wood	$450,000 x	70% ➔	$315,000 x	[(89% x	35%) +	(89% x	35%) +	(105% x	30%)]	= $295,470	94%
Tim Dobson	$400,000 x	65% ➔	$260,000 x	[(89% x	25%) +	(75%[(1)] x	45%) +	(85% x	30%)]	= $212,290	82%
Elvin Saruk	$380,000 x	60% ➔	$228,000 x	[(89% x	25%) +	(107% x	45%) +	(90% x	30%)]	= $222,072	97%

Notes:

(1) Mr. Dobson's Operational/Divisional Score is pro-rated for the portion of time he was SVP, Ambatovy and SVP, Metals. Mr. Dobson transferred from Ambaotvy to Moa/Fort Site effective September 2017.

2017 Mid- and Long-Term Incentive Awards

— Annual Awards

The total grant date value of each NEO's 2017 mid- and long-term incentive awards was maintained at the prior year's value, except for Mr. Snowden's, who was recently promoted. The mix of mid- and long-term incentive awards was adjusted to strengthen the alignment between NEOs and organizational performance. This improved alignment was achieved by increasing the proportion of PSUs, as a percentage of total equity compensation, from 10% to 50%, RSUs have been reduced from 40% to 25% and the stock options have been reduced from 50% to 25%. The table below compares the mix of the mid- and long-term components awarded in 2016 and 2017.

	2016	2017
Performance Share Units (mid-term)	10%	50%
Restricted Share Units (mid-term)	40%	25%
Stock Options (long-term)	50%	25%

Each NEO has target mid- and long-term awards that are market competitive and based on internal equity and experience and performance in the role. The following table summarizes the grant date values of 2017 mid- and long-term awards for each NEO.

	2017 Total Target Mid- and Long-Term Award	Grant Date Fair Value		
		RSU	PSU	Stock Options
CEO	$1,750,000	$437,500	$875,000	$437,500
SVP & CFO	$ 300,000	$ 75,000	$150,000	$ 75,000
EVP & COO	$ 565,000	$141,250	$282,500	$141,250
SVP, Metals(1)	$ 485,000	$121,250	$363,750	N/A
SVP, OGP	$ 485,000	$121,250	$242,500	$121,250

Note:

(1) Mr. Dobson was SVP, Ambatovy at the time of the 2017 grant: as an Australian resident and an international assignee, stock options were not awarded.

Mid-Term Incentive — Performance Share Units

Effective 2017, Sherritt's performance share units are subject to time and performance vesting. Performance vesting consists of two, equally weighted performance metrics: RTSR and unit cost of production.

Relative total shareholder return (50% weighting): Consistent with prior mid-term incentive grants, Sherritt's RTSR is measured against a combined weighted index, which reflects the relative weighting of each of the metals and energy businesses:

- S&P/TSX Metals and Mining Industry Index (Bloomberg: STMETL) with a 67% weighting; and
- S&P/TSX Oil & Gas, Exploration & Production Industry Index (Bloomberg: STOILP) with a 33% weighting. The table below outlines the relationship between performance and the vesting percentage.

	Sherritt's RTSR	Vesting Percentage(1)
Maximum	50 percentage points or more above the Combined Weighted Index	200%
Target	Meets the Combined Weighted Index	100%
Threshold	25 percentage points below the Combined Weighted Index	50%
Minimum	More than 25 percentage points below the Combined Weighted Index	0%

Note:

(1) Values between threshold and maximum are calculated on a straight-line basis. Vesting percentage is capped at 100% if Sherritt's absolute total shareholder return is negative.

Unit cost of production (50% weighting) is an internal measure that was introduced with the 2017 award and is aligned with Sherritt's strategic goal of being a sustainable low cost producer. Actual unit cost of production will be measured against each division's budgeted unit cost of production or NDCC, as applicable, for each fiscal year of the PSU vesting period. The combined results from each operating division (equally weighted) will determine the PSU performance factor that will apply to all PSUs. The table below outlines the relationship between performance and the vesting percentage.

The RTSR measure is capped at 100% if Sherritt out-performs the combined weighted index and has a negative TSR over the performance period, strengthening the alignment with shareholder experience.

	Unit Cost as % of Budget	Vesting Percentage[1]
Maximum	<80% of Budget	200%
Target	Meets Budget	100%
Threshold	120% of Budget	50%
Minimum	>120% of Budget	0%

Note:

(1) Values between threshold and maximum are calculated on a straight-line basis.

Subject to achievement of performance conditions, PSUs vest and become payable on the third anniversary of the grant. If a participant in the plan resigns or is terminated for cause prior to such time, the units are forfeited.

Mid-Term Incentive — Restricted Share Units

Restricted Share Units are subject to time vesting. They vest and become payable on the third anniversary of the grant. If a participant in the plan resigns or is terminated for cause prior to such time, the units are forfeited.

Long-Term Incentives — Stock Options

Consistent with prior years, stock options granted during 2017 vest and become exercisable at the rate of one-third of the award on each of the first three anniversaries of the grant date and have a 10-year term. If a participant in the plan resigns or is terminated for cause, the units are forfeited.

Vesting of 2014 Mid-Term Incentives (2017)

In 2017, the mid-term incentive that was awarded in 2014 vested. Share value decreased by 62% over the vesting period. Additionally, the relative Total Shareholder Return performance factor was more than 20 percentage points below the combined weighted index that further reduced the award such that final payment represented 31% of the grant date value of the awards.

The table below illustrates Sherritt's TSR over the vesting period and the TSR of the combined weighted index over the same period, concluding with a Performance Factor below the threshold value of 80 percentage points of the combined weighted index.

	March 2, 2014 to March 2, 2017
Sherritt TSR	(61.9%)
Mining (STMETL Index)	(6.6%)
Oil & Gas (STOILP Index)	(30.4%)
Combined Index Weighted Performance	(2/3 × (6.6%)) + (1/3 × (30.4%)) = (14.5%)
Variance Sherritt versus the Weighted Index	(−61.9) − (−14.5%) = (47.4%)
Leverage 1:2[1].	50% × (−47.4) = (23.7%)
Performance Factor	100% −23.7% = (76.3%)

Note:

(1) For each 2 percentage points of Sherritt's relative performance 1% of the restricted share units are impacted.

The value of the 2014 mid-term incentive realized compensation reflects alignment with shareholder experience, consistent with the mid-term incentive plan objective. The table below provides the details of the 2014 mid-term incentive for the current NEOs who participated in that grant, illustrating the impact of the relative total shareholder return performance factor of 80% and the volume-weighted average share price at the vesting date.

						Value Vested		
NEOs	Grant Date Compensation Value	Number of Units Awarded + Dividend Equivalents Credited	Performance Factor	Number of Units Vested	Vesting Share Price	$	% of Grant Value	Value Not Vested
David Pathe	$800,000	272,345	0%	217,876	$1.15	$250,558	31%	$549,442
Elvin Saruk	$350,000	119,153	0%	95,323	$1.15	$109,662	31%	$240,338

2018 Executive Compensation Design and Related Policies

Executive compensation and related policies are regularly reviewed and resulting from that review in 2017 there are specific executive compensation and related policy changes that have been made for 2018. A summary of the changes is presented below and the details of these changes will be fully disclosed in next year's Management Information Circular.

- Reduced the use of stock options in 2018 while we consider how best to align long-term compensation with our strategy and shareholder interests.
  - The CEO did not receive any stock options. His stock option compensation value was equally allocated to RSUs and PSUs resulting in his 2018 equity compensation mix being 62.5% PSUs and 37.5% in RSUs.
  - All other NEOs received 20% fewer stock option awards than their respective 2017 awards with the difference being reallocated to RSUs resulting in their 2018 equity compensation mix being 50% PSUs, 30% RSUs and 20% stock options.
- Changed the recoupment (''claw-back'') policy to provide for a claw back of overpaid incentive compensation in the event of a misstatement in the financial statements, whether or not there was misconduct in connection with the restatement.
- Amended the Executive Supplementary Pension Plan by closing the Plan to future notional contributions; this simplifies our retirement savings programs across the Corporation.

Individual NEO Performance and Compensation

David Pathe
Board Chair, President & CEO

Mr. Pathe is accountable for developing and implementing Corporation-wide strategy, making major corporate decisions and managing the growth, operations and overall performance of the Corporation. Mr. Pathe does not receive any compensation for his position as Chairman of the Board.

2017 Key Results

- Driving commitment to zero harm throughout all operations. Ambatovy and Oil & Gas achieved peer leading safety results. No severe environmental incidents
- Steadfastly continued to strategically reduce legacy debt and strengthen the balance sheet; specifically in 2017 restructured ownership of Ambatovy eliminating debt of $1.4 billion, contributing to the total reduction of legacy debt by approximately $2 billion during his tenure as CEO
- Continued to enhance stakeholder communications, including Shareholder Outreach in Q4 and Corporation-wide employee communications
- Leadership position on Diversity & Inclusion, joining Catalyst Advisory Board and commitment to the ''30% Club''
- Continued to build leadership capabilities throughout the organization by an increased focus on performance management and visible leadership

The HRC reviewed Mr. Pathe's 2017 compensation and the Board approved the HRC's recommendations. There were no changes to Mr. Pathe's compensation: base salary, 2017 STI target remains at 100% of his base salary and his equity-based compensation remains at $1,750,000 allocated 25% to RSUs, 50% PSUs and 25% to stock options.

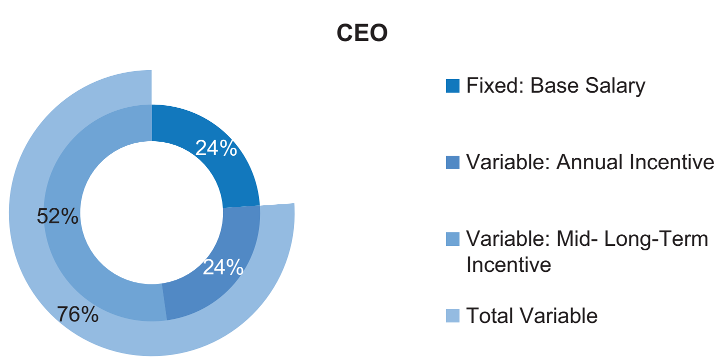
Mr. Pathe's STI award is a function of organizational performance only; his personal performance is not a factor in determining his annual STI award, if any. For more details on the 2017 STI measures and results, see ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Short-Term Incentive Awards*'' above beginning on page 45. Despite Mr. Pathe's calculated 2017 STI award in the amount of $734,250 (89% of target), he requested that the HRC and Board reduce his 2017 STI award to the same amount he received in respect of 2016 ($536,250 or 65% of target), recognizing the ongoing financial challenges of the Corporation and the experience of shareholders over the last few years. The HRC and Board accepted his request.

The table below illustrates that there were no changes to Mr. Pathe's 2017 target total direct compensation compared to his 2016 target compensation and compares his 2017 actual compensation to his 2017 target compensation.

Compensation	2016 Target	2017 Target	2017 Actual
Fixed			
Base Salary	$ 825,000	$ 825,000	$ 825,000
Variable			
Short-Term Incentive	$ 825,000	$ 825,000	$ 536,250
Equity-based Compensation			
Restricted Share Units	$ 878,500	$ 437,500	$ 437,500
Performance Share Units	$ 875,000	$ 875,000	$ 875,000
Stock Options	$ 875,000	$ 437,500	$ 437,500
Total Direct Compensation	**$3,400,000**	**$3,400,000**	**$3,111,250**
Change to Target Compensation		No Change	
Variance from target			−8%

2017 Pay Mix

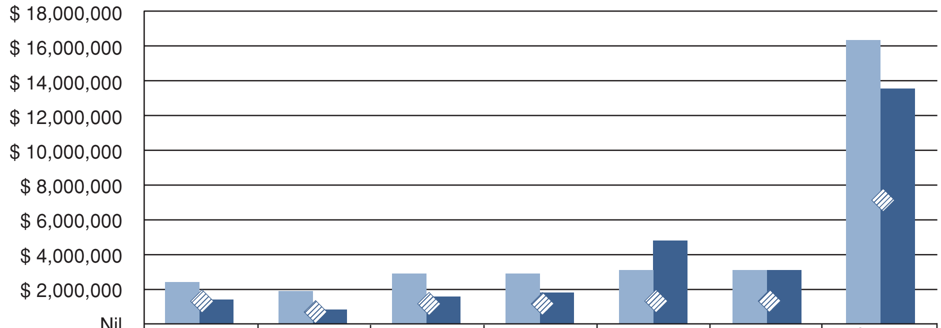
The chart below illustrates the proportions of Mr. Pathe's compensation that are fixed and variable. The variable category is further segmented to show which proportion of Mr. Pathe's compensation is ''at-risk'' of zero value, due to performance. See ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Short-Term Incentive Awards*'' beginning on page 45, and see ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Mid- and Long-Term Incentive Awards*'' beginning on page 50, for more details of each award and the associated performance measures.



Current Value of CEO Total Direct Compensation Awards

The table below illustrates the strong alignment between the realizable value of CEO compensation and shareholder experience on a year-by-year basis, which is a result of the heavy weighting in Mr. Pathe's compensation to long-term equity-based compensation.

CEO Total Direct Compensation
Realizable Value, Impact of Share Price and Total Cash



	2012	2013	2014	2015	2016	2017	6 year Cumulative
Total Direct Compensation Awarded[(1)]	$2,448,903	$1,937,494	$2,912,517	$2,968,757	$3,111,257	$3,111,250	$16,490,178
Realizable Total Direct Compensation Value as at December 31, 2017[(2)(3)]	$1,446,704	$835,106	$1,563,058	$1,834,359	$4,860,367	$3,116,712	$13,656,306
Total Cash[(4)]	$1,350,000	$737,500	$1,218,750	$1,218,750	$1,361,250	$1,361,250	$7,247,500

Notes:

(1) Total Direct Compensation includes: base salary, and short-term, medium-term and long-term incentive awards valued at the grant date as set out in the Summary Compensation Table on page 63.

(2) Realizable Total Direct Compensation includes: base salary, and short-term, medium-term and long-term incentive awards with option-based and share-based compensation valued 2017 year end, consistent with the methodology described on page 61 in the section entitled ''*Compensation Discussion & Analysis — Realizable Value of Total Compensation*'' including valuing any performance-conditioned share units at target performance (100%).

(3) For the years 2012 — 2017 (inclusive), Realizable Total Direct Compensation includes the value of any mid-term awards that were awarded in those years and subsequently vested and paid out and any long-term awards that were awarded in those years and subsequently vested and were exercised. The realizable value of such awards is the actual value received.

(4) Total cash includes base salary plus short-term incentive awards, as shown in the Summary Compensation Table on page 63.

Vested Valued of CEO Mid-Term Incentive Awards

Mid-term incentive awards granted to the CEO that have vested and have been paid-out are summarized in the table below and illustrate the alignment between Sherritt's share value and the CEO's actual compensation received, in respect of those awards. While this information is included in the Realizable Pay graph above, the following table provides the specifics of the mid-term incentives that have vested and been paid-out on a cumulative basis of 27% of the grant value.

Grant Year	Vesting Year	Compensation Value at Grant	Value at Vesting[(1)]	Variance: Gain (Loss)
2012	2015 & 2017	$ 590,000	$195,408[(2)]	$ (394,592)
2013	2016	$ 600,018	$ 97,606[(3)]	$ (502,412)
2014	2017	$ 800,010	$250,558[(3)]	$ (549,452)
Total		**$1,990,028**	**$543,572**	**$(1,446,456)**

Notes:

(1) Value at vesting is calculated by multiplying the number of units that vested by the closing price of Sherritt shares on the vesting date.

(2) The mid-term incentives granted in 2012 were in the form of restricted stock that was subject to tax at the time of grant, and no tax was payable at vesting. The value above have been adjusted to a pre-tax value for comparison purposes.

(3) The 2013 and 2014 mid-term incentives were in the form of RSUs.

Value of CEO Outstanding Long-Term Incentive Awards

Long-term incentive awards granted to the CEO in the form of stock options are summarized in the table below and illustrate the alignment between share value and the CEO's compensation. While this information is included in the Realizable Pay graph above, the following table provides details of the outstanding stock option awards and the current value attributed to each award made to the CEO.

Grant Year	Exercise Price	Compensation Value at Grant	Current Value(1)	Variance
2012	$6.04	$ 509,903	$ —	$ (509,903)
2013	$5.14	$ 599,976	$ —	$ (599,976)
2014	$3.00	$ 800,007	$ —	$ (800,007)
2015	$2.11	$ 875,000	$ —	$ (875,000)
2016	$0.68	$ 875,007	$1,607,571	$ 732,564
2017	$1.20	$ 437,500	$ 147,656	$ (289,844)
Total		**$4,097,392**	**$1,755,227**	**$(2,342,165)**

Note:

(1) Current value is calculated by mutliplying the number of outstanding Options by the difference between the exercise price and the December 2017 simple average closing share price on the TSX, being $1.47.

Andrew Snowden
SVP & CFO

Mr. Snowden is accountable for the strategic coordination of all financial issues and current and long-term effectiveness of all financial functions including financial strategy and structure, accounting standards/compliance, financial risk management and treasury. He is also accountable for the Corporate Development, Investor Relations and Information Technology functions. Mr. Snowden contributes to the overall success of the Corporation through active participation in strategic planning and other key corporate processes.

2017 Key Results:

- Successfully transitioned into the CFO role
- Developed processes and oversight to increase monitoring and control of capital spending
- Strengthened balance sheet and liquidity management through implementation of processes to optimize working capital and extension and upsizing of revolving credit facility
- Focus on stakeholder relationships including increasing opportunities for communications with Sherritt's investor and analyst communities
- Development of long-term global finance and IT plan to increase efficiencies, support business decisions and reduce costs
- Key contributor to corporate strategy and member of the senior executive team

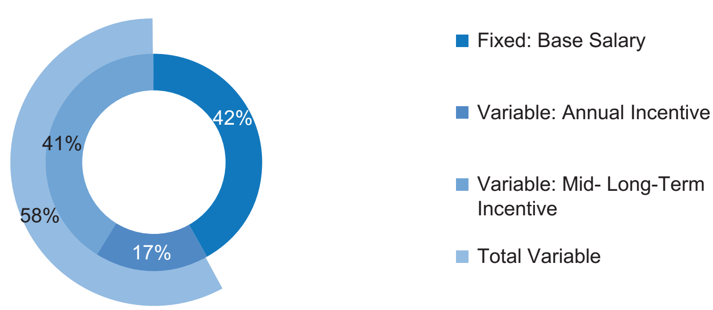
Mr. Snowden contributed significantly to the Corporation in his first year in the CFO role. He undertook a review and restructuring of the finance and information technology function. His 2017 compensation reflects his appointment to the CFO position effective January 1, 2017 and his 2017 performance.

Compensation	2017 Target	2017 Actual
Fixed		
Base Salary	$308,333	$308,333
Variable		
Short-Term Incentive	$138,750	$128,066
Equity-based Compensation		
Restricted Share Units	$ 75,000	$ 75,000
Performance Share Units	$150,000	$150,000
Stock Options	$ 75,000	$ 75,000
Total Direct Compensation	**$747,083**	**$736,399**
Change to Target Compensation	No Change	
Variance from target		−1%

2017 Pay Mix

The chart below illustrates the proportions of Mr. Snowden's compensation that are fixed and variable. The variable category is further segmented to show which proportion of Mr. Snowden's compensation is ''at-risk'' of zero value, due to performance. See ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Short-Term Incentive Awards*'' beginning on page 45, and see ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Mid- and Long-Term Incentive Awards*'' beginning on page 50, for more details of each award and the associated performance measures.

SVP & CFO



Steve Wood
EVP & COO

Mr. Wood is accountable for the Corporation's operating divisions and the Corporation's safety and sustainability functions. Mr. Wood contributes to the overall success of the Corporation through active participation in strategic planning and other key corporate processes.

2017 Key Results

- Achieved peer leading safety performance, no significant environment incidents
- NDCC within the Moa JV exceeded target and prior year due to efficiencies and cobalt credits
- Significant cash contributions to Sherritt by Moa JV
- Judicious capital spending without risking sustainability of the business: minimize cash calls from Ambatovy; and maximize cash from Moa,
- Organizational effectiveness driven by:
  - Operational Excellence / Lean Manufacturing principles and tools implemented at Moa and Ambatovy JVs
  - Sponsored organization redesign to improve the effectiveness of the organization
- Continued to make significant progress in the implementation of improved Asset Management practices at Ambatovy

Mr. Wood contributed significantly to the Corporation in 2017. As the Chief Operating Officer, he led key strategies to drive safe, low cost, sustainable production. He sponsored multi-year Organizational Effectiveness and Technology Improvement efforts across the organization with a view to furthering progress on the Corporation's strategy. The Organizational Effectiveness work is comprised of both an Operational Excellence initiative to strengthen the culture of continuous improvement and Organization Design initiative to enhance the ability to deliver results. The Technologies work consists of several technological improvements to existing process and potential new ones.

Mr. Wood represented Sherritt on the Executive Committee of the Ambatovy Joint Venture and made key contributions to discussions of Ambatovy restructuring.

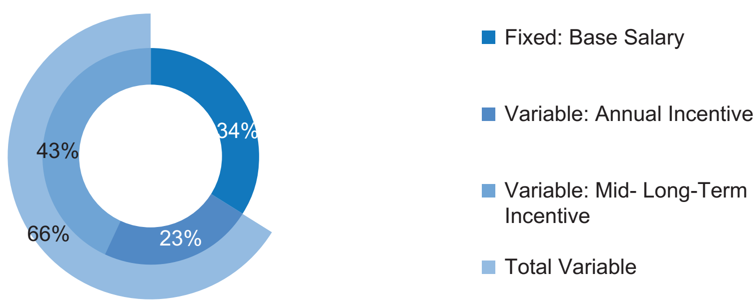
There were no changes to Mr. Wood's target levels of compensation: base salary, 2017 STI target remains at 70% of his base salary and his equity-based compensation remained at $565,000. The allocation of Mr. Wood's equity-based compensation was changed to reflect 50% PSUs, and 25% RSUs and 25% stock options.

Compensation	2016 Target	2017 Target	2017 Actual
Fixed			
Base Salary	$ 450,000	$ 450,000	$ 450,000
Variable			
Short-Term Incentive	$ 315,000	$ 315,000	$ 295,470
Equity-based Compensation			
Restricted Share Units	$ 306,000	$ 141,250	$ 141,250
Performance Share Units	$ 34,000	$ 282,500	$ 282,500
Stock Options	$ 225,000	$ 141,250	$ 141,250
Total Direct Compensation	**$1,330,000**	**$1,330,000**	**$1,310,470**
Change to Target Compensation		No Change	
Variance from target			−1%

2017 Pay Mix

The chart below illustrates the proportions of Mr. Wood's compensation that are fixed and variable. The variable category is further segmented to show which proportion of Mr. Wood's compensation is "at-risk" of zero value, due to performance. See "*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Short-Term Incentive Awards*" beginning on page 45, and see "*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Mid- and Long-Term Incentive Awards*" beginning on page 50, for more details of each award and the associated performance measures.

EVP & COO



Tim Dobson

SVP, Ambatovy/SVP, Metals

Mr. Dobson was accountable for safe, cost effective leadership of Ambatovy up until September 2017, the date of his relocation to Fort Saskatchewan AB. at which time he was appointed to the position SVP, Metals. Mr. Dobson contributes to the overall success of the Corporation through active participation in strategic planning and other key corporate processes.

2017 Key Results

- Strong safety record at Ambatovy and no significant environmental incidents
- Ambatovy production below expectations due to reliability issues
- Ambatovy NDCC was below expectations due to production shortfall
- Continued improvements to asset management at Ambatovy
- Effective transition of leadership to new Executive team at Ambatovy
- Effective transition to Moa/Fort Site

Mr. Dobson contributions to the Corporation in 2017 included ensuring the focus of safety remained embedded with the Ambatovy leadership and workforce. His leadership resulted in significant improvement of management systems, processes and communications at Ambatovy; however production and unit costs (NDCC) were below expectations. He successfully transitioned to the SVP, Metals position.

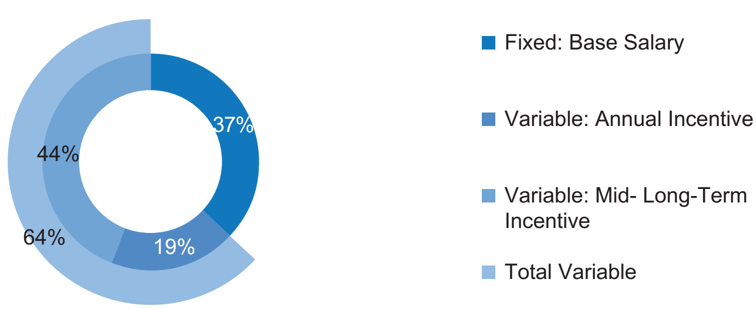
Compensation	2016 Target	2017 Target	2017 Actual
Fixed			
Base Salary	$ 400,000	$ 400,000	$ 400,000
Variable			
Short-Term Incentive	$ 260,000	$ 260,000	$ 212,290
Equity-based Compensation(1)			
Restricted Share Units	$ 436,500	$ 121,250	$ 121,250
Performance Share Units	$ 48,500	$ 363,750	$ 363,750
Stock Options	n/a	n/a	n/a
Total Direct Compensation	**$1,145,000**	**$1,145,000**	**$1,097,290**
Change to Target Compensation		No Change	
Variance from target			−4%

(1) Mr. Dobson was not eligible for stock options in 2017, as he was an Australian resident international assignee. His equity-based compensation mix was set at 25% RSUs and 75% PSUs, aligning his proportion of at-risk compensation with that of the other NEOs.

2017 Pay Mix

The chart below illustrates the proportions of Mr. Dobson's compensation that are fixed and variable. The variable category is further segmented to show which proportion of Mr. Dobson's compensation is ''at-risk'' of zero value, due to performance. See ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Short-Term Incentive Awards*'' beginning on page 45, and see ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Mid- and Long-Term Incentive Awards*'' beginning on page 50, for more details of each award and the associated performance measures.

SVP, Ambatovy/SVP, Metals



Elvin Saruk
SVP, Oil & Gas and Power
Mr. Saruk is accountable for safe, cost effective leadership of the Cuban-based energy businesses. He runs our Oil & Gas business and a Power generation facility in Cuba. Mr. Saruk contributes to the overall success of the Corporation through active participation in strategic planning and other key corporate processes.

Mr. Saruk's contributions to the Corporation in 2017 included ensuring the focus of safety remained embedded with the leadership and workforce of the Oil & Gas and Power divisions. Peer leading safety was achieved and Oil & Gas division. Mr. Saruk continues to build and maintain strong relationships with Cuban partners and government officials.

2017 Key Results

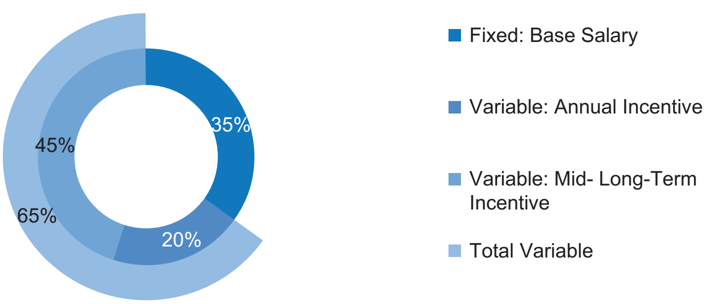
- Peer leading safety achieved at Oil & Gas, no significant environment incidents at Oil & Gas and Power divisions
- Block 10 well did not reach target due to challenging ground conditions encountered during drilling
- Exceeded production targets for oil and gas, when adjusted for Block 10
- Better than targeted unit costs in the oil and gas business, despite block 10
- Production shortfall in Power due entirely to gas supply shortfalls
- Lower than targeted unit costs in the power business despite gas supply shortfall

Compensation	2016 Target	2017 Target	2017 Actual
Fixed			
Base Salary	$ 380,000	$ 380,000	$ 380,000
Variable			
Short-Term Incentive	$ 228,000	$ 228,000	$ 222,072
Equity-based Compensation			
Restricted Share Units	$ 194,000	$ 121,250	$ 121,250
Performance Share Units	$ 48,500	$ 242,500	$ 242,500
Stock Options	$ 242,500	$ 121,250	$ 121,250
Total Direct Compensation	**$1,093,000**	**$1,093,000**	**$1,087,072**
Change to Target Compensation		No Change	
Variance from target			−1%

2017 Pay Mix

The chart below illustrates the proportions of Mr. Saruk's compensation that are fixed and variable. The variable category is further segmented to show which proportion of Mr. Saruk's compensation is "at-risk" of zero value, due to performance. See "*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Short-Term Incentive Awards*" beginning on page 45, and see "*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Mid- and Long-Term Incentive Awards*" beginning on page 50, for more details of each award and the associated performance measures.

SVP, Oil & Gas and Power



REALIZABLE VALUE OF TOTAL COMPENSATION

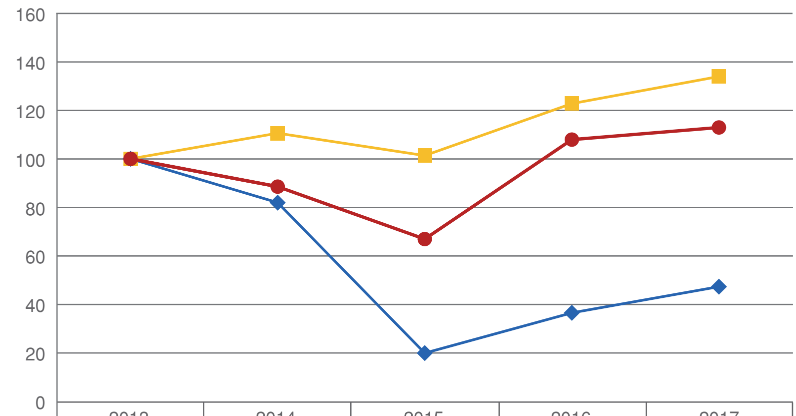
The following table provides the realizable value of total compensation for the NEOs, other than the CEO (please see page 55 for the summary of CEO realizable pay), in the specified year with the option-based and share-based awards valued at 2017 year end compared to the total compensation values provided in the Summary Compensation Table that follows on page 63. This Realizable Compensation Table has been included to illustrate how a change in Share price impacts the value of NEO total compensation, aligning compensation directly with Share value and shareholder interests. The realizable value of Total Direct Compensation as set out in the graph below includes the following:

- Total direct compensation includes: base salary, and short-term, medium-term and long-term incentives valued at grant date as set out in the Summary Compensation Table;
- The value of unvested mid-term share units granted in the specified year is calculated by (i) multiplying the number of share units outstanding as at December 31, 2017 (equal to the number of units granted plus dividend equivalents reinvested, if any) by the December 2017 simple average closing Share price on the TSX, which was $1.47. All performance conditioned units are valued at target or 100% performance. For more details on the 2017 mid-term awards, see ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Mid- and Long-Term Incentive Awards*'' on page 50;
- The value of unvested and vested, but unexercised, Options granted in a specified year, calculated by multiplying (i) the difference between the Option exercise price and the December 2017 simple average closing share price on the TSX, which was $1.47, by (ii) the number of outstanding Options (both vested and unvested). Where the difference is negative, the Options are not in the money and no value is reported; and
- To the extent any Options granted in a specified year have vested and are subsequently exercised, any gains on such exercise are calculated by multiplying (i) the difference between the Options' exercise price and the volume-weighted average trading price of a Share on the TSX for the five (5) trading days preceding the exercise date, by (ii) the number of outstanding Options exercised. The NEOs have not exercised any vested Options that were granted in 2015, 2016 and 2017.

	Year	Summary Compensation Table Total Direct Compensation	Realizable Value of Total Direct Compensation	Variance
Andrew Snowden	2017	$ 736,399	$ 737,337	$ 938
Steve Wood	2017	$1,310,470	$ 1,312,236	$ 1,765
	2016	$1,219,819	$ 1,803,207	$ 583,388
	2015	$ 840,173	$ 541,630	$(298,543)
Tim Dobson	2017	$1,097,290	$ 1,206,415	$ 109,125
	2016	$1,091,603	$ 1,655,063	$ 563,460
	2015	$1,008,338	$ 953,512	$ (54,826)
Elvin Saruk	2017	$1,087,072	$1,088,587.7	$ 1,515
	2016	$1,043,423	$ 1,563,084	$ 519,661
	2015	$ 979,007	$ 848,318	$(130,690)

PERFORMANCE GRAPH (Total Shareholder Return)

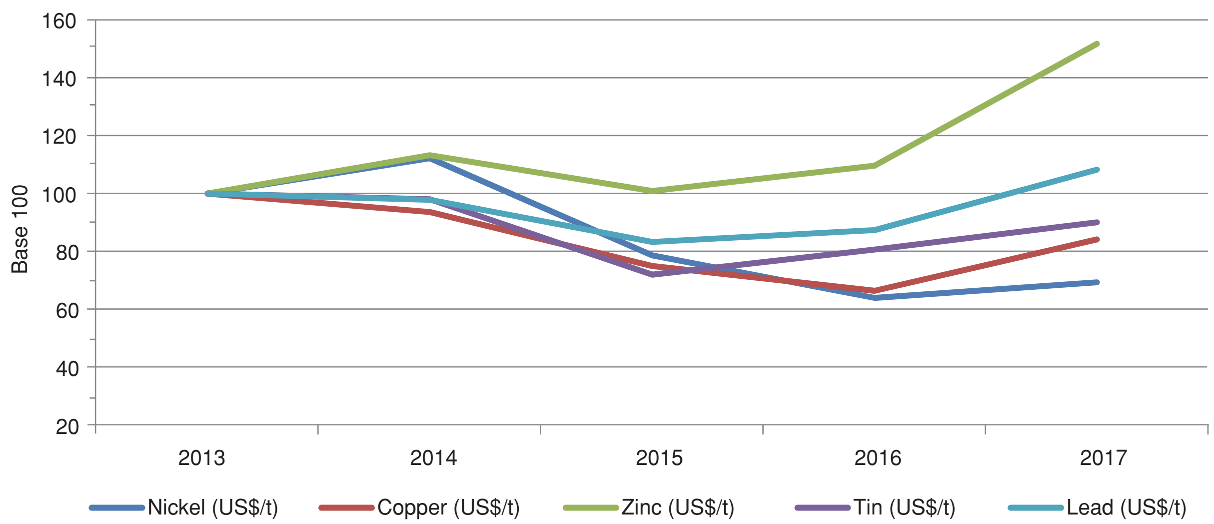
The following graph illustrates the cumulative total shareholder return of $100 invested on December 31, 2013 in shares of the Corporation compared with the return on the S&P/TSX Composite Total Return Index. It also includes the total return on the S&P/TSX Metals & Mining Index (Bloomberg: STMETL), which currently consists of the 40 companies in the metals and mining industry that are included in the S&P/TSX Composite Index, and is reflective of the Corporation's principal business.



	2013	2014	2015	2016	2017
Sherritt Total Shareholder Return	$100.00	$82.00	$20.14	$36.69	$47.45
S&P/TSX Composite Total Return	$100.00	$110.55	$101.34	$122.71	$133.85
S&P/TSX Metals and Mining Total Return	$100.00	$88.57	$67.02	$107.90	$112.89

When assessing relative performance of total shareholder return against comparator companies producing different metals, it is necessary to consider the relative performance of the prices of the different underlying metals. Any resource company's share price is directly related to the performance of the metals it produces. Sherritt's primary product is nickel, however there is no other company in its comparator group whose primary product is nickel and there are very few nickel companies in the S&P/TSX Metals and Mining Index.

The graph below plots the annual average price of 5 base metals over the 5-year period ended December 31, 2017, and illustrates the underperformance of nickel prices relative to other base metals produced by Sherritt's comparators over that period. The underperformance of nickel prices has severely affected Sherritt's share price performance on an absolute and relative basis.



As illustrated in the table below, in a majority of the past 5 years the change in total NEO compensation tracks directionally with the performance of the Share price and overall total shareholder return, and in 2017 total NEO compensation declined even though total shareholder return increased.

Year	Year-over-Year Percent Change: Aggregate NEO Total Compensation (%)	Year-over-Year Percent Change: Total Shareholder Return for Sherritt Common Shares (%)	Year-over-Year Percent Change: Total Shareholder Return for S&P/TSX Composite (%)
2017	(3.6)	29.3	9.1
2016	8.1	82.2	21.1
2015[(1)]	(5.4)	(75.4)	(8.3)
2014	16.8	(18.0)	10.5
2013[(2)]	(15.4)	(32.9)	13.0

Notes:

(1) Total NEO compensation has been adjusted for the reporting of six NEOs in 2015. Mr. Plamondon served as SVP Technical Services until July 13, 2015. As a result, his 2015 total compensation has been excluded from this analysis.

(2) Total NEO compensation has been adjusted for the reporting of six NEOs in 2013. Mr. Tiessen served as EVP Operations until October 10, 2013. As a result, his 2013 total compensation has been excluded from this analysis.

SUMMARY COMPENSATION TABLE

The summary compensation table, below, shows the three-year compensation history for each of the 2017 NEOs with share-based awards and option-based awards valued at the grant date fair value. To better understand the impact that share price has on the value of share-based compensation received by the NEOs, see the realizable compensation information table, above, on page 61 and for the CEO, on page 55.

Comparing the 2017 value of Option-based Awards to the prior years that are reported below reflects the reduced use of Options in 2017. The increased proportion of PSUs is not reflected in the table below as both PSUs and RSUs are reported under the Share-Based Awards. Details of each NEOs PSU and RSU awards can be found in each individual NEO's section, beginning on page 54.

Name and Title	Year	Salary	Share-Based Awards[(1)]	Option-Based Awards[(2)]	Annual Incentive[(3)]	Pension Value[(4)]	All Other Compensation[(5)]	Total Compensation
David Pathe,	2017	$825,000	$1,312,500	$437,500	$536,250	$75,490	$219,715	$3,406,455
Chairman of the Board,	2016	$825,000	$ 875,000	$875,007	$536,250	$76,130	$217,169	$3,404,556
President and CEO	2015	$806,250	$ 875,006	$875,000	$412,500	$74,320	$217,079	$3,260,155
Andrew Snowden,	2017	$308,333	$ 225,000	$ 75,000	$128,066	n/a	$120,256	$ 856,655
SVP and CFO	2016	$207,458	$ 140,000	n/a	$ 94,120	n/a	$ 50,915	$ 492,493
	2015	$180,530	$ 40,000	n/a	$ 47,780	n/a	$ 45,220	$ 313,530
Steve Wood,	2017	$450,000	$ 423,750	$141,250	$295,470	$30,490	$156,019	$1,496,979
EVP and COO[(6)]	2016	$450,000	$ 340,000	$225,019	$204,800	$31,130	$ 66,934	$1,317,883
	2015	$306,923	$ 255,000	$170,000	$108,250	$36,831	$ 60,702	$ 937,706
Tim Dobson	2017	$400,000	$ 485,000	n/a	$212,290	n/a	$454,096	$1,551,386
SVP, Metals[(7)]	2016	$400,000	$ 485,003	n/a	$206,600	n/a	$407,542	$1,499,145
	2015	$393,333	$ 485,005	n/a	$130,000	n/a	$365,685	$1,374,023
Elvin Saruk,	2017	$380,000	$ 363,750	$121,250	$222,072	$19,590	$148,440	$1,255,102
SVP, Oil & Gas and Power	2016	$380,000	$ 350,003	$135,020	$178,400	$20,230	$148,207	$1,211,860
	2015	$380,000	$ 350,007	$135,000	$114,000	$20,670	$147,956	$1,147,633

Notes:

(1) The number of share units awarded was calculated by dividing the compensation value (grant date fair value) of each of the awards by the Market Price on the grant date, which was $1.20.

(2) The number of Options awarded to each NEO in 2016 was calculated by dividing the compensation value of the award by the product of the market price on the date of grant, which was $0.68, and the Black-Scholes value, which was $0.80. For the purpose of calculating the Black-Scholes compensation value, the Corporation uses the discrete method for determining the dividend value as grants are awarded at a point in time. As a result, the Black-Scholes value for the February 28, 2017 grant was calculated using the following assumptions: (a) interest rate of 1.64%; (b) Share price volatility of 57.80%; (c) a dividend yield of nil; and (d) an option term of 10 years.

In 2017, the compensation value was the same as the accounting fair value for the Options awarded.

The Black-Scholes value used for calculating the accounting fair value uses a continuous method for determining the dividend value. As a result, the Black-Scholes value used for calculating the accounting fair value was $0.80 and was calculated using the following assumptions: (a) interest rate of 1.61%; (b) Share price volatility of 57.91%; (c) a dividend yield of nil; and (d) an option term of 10 years.

(3) Mr. Dobson did not receive Options in respect of 2015, 2016 and 2017 as his equity-based compensation is in the form of share units which aligns with global competitive practices for Australian international executives.

(4) The Pension Value represents the notional amount of contributions allocated by the Corporation on behalf of each NEO to the ESPP. Additional information on the ESPP can be found under ''*Compensation Discussion & Analysis — Executive Compensation — Retirement Savings*'' on page 44 and ''*Compensation Discussion & Analysis — Pension Benefits*'' on page 72.

(5) The following table provides details and values for the 2017 amounts reported under All Other Compensation, above.

	David Pathe ($)	Andrew Snowden ($)	Steve Wood ($)	Tim Dobson[4] ($)	Elvin Saruk ($)
Life Insurance	2,400	1,492	2,164	4,742	1,696
Group Retirement Savings	23,510	37,000	23,510	48,000	26,010
Health, Dental & LTD	8,229	8,045	7,195	24,031	5,829
Helms-Burton Allowance[1]	150,000	36,667	88,650	78,800	76,000
International Allowances[2]	—	—	—	166,667	—
Parking	—	—	—	—	6,905
Perquisite Allowances	32,000	32,000	32,000	32,000	32,000
ESOP	2,500	2,500	2,500	—	—
Taxable Benefits[3]	1,076	2,552	—	99,856	—
Total	219,715	120,256	156,019	454,096	148,440

Notes:

(1) Prior to January 2017, only certain NEOs had been listed under Title IV of the Helms-Burton Act and had been advised by the United States Department of State that they, their spouse and minor children are inadmissible for entry into the United States. In recognition of the hardship, loss of opportunity and emotional distress suffered by such Named Executive Officers and their respective families, they receive a ''Helms-Burton Allowance''. Although these allowances are not considered compensation they have been included in the table in the interest of providing full disclosure. Such allowances are fully taxable and not grossed-up for tax purposes.

As of January 2017, all senior officers who held such positions in 2016 received notice that they have been advised by the United States Department of State that they, their spouse and minor children are inadmissible for entry into the United States. In May 2017 Mr. Snowden, Sherritt's then recently appointed CFO, received his notification of having been listed under the Helms-Burton Act by the United States Department of State.

(2) Mr. Dobson as an expatriate was eligible for certain international allowances up until his time of relocation to Fort Saskatchewan Alberta.

(3) Messrs. Pathe and Snowden received their 10 and 5 year service awards, respectively. Consistent with the treatment of all service awards, such cash awards are grossed up for tax purposes.

Mr. Snowden incurred a taxable benefit for an executive medical, which is not grossed up for tax purposes.

Mr. Dobson as an expatriate for part of 2017 is eligible for tax equalization. A payment is made to Mr. Dobson equal to the value of taxes paid by him in excess of what he would have otherwise paid in his home country as a result of his international assignment. Tax equalization payments are taxed and it is necessary to gross-up the value of such payments in order to achieve equalization of the employee's tax burden.

(4) Mr. Dobson was appointed SVP, Metals on September 4, 2018. Previously Mr. Dobson served as SVP, Ambatovy from March 1, 2015. Prior to this appointment Mr. Dobson served as Vice President, Operations at Ambatovy from his July 2014 hire date.

INCENTIVE PLAN AWARDS

Executive Share Unit Plan

The following table provides the details of the Corporation's executive share unit plan (the ''**Executive Share Unit Plan**''), which authorizes the granting of RSUs and PSUs. The Executive Share Unit Plan was amended in 2017 to distinguish between restricted share units, which time vest, and performance share units that are subject to performance-conditioned vesting. Prior to this amendment all units were defined as restricted share units, whether they were time vesting only or if they were subject to performance-conditioned vesting. This was a housekeeping change to support clear communications with participants and shareholders. This amendment did not require shareholder approval.

Feature	Description
Securities	Phantom share units that track the value of Shares.
Eligibility	Select employees, including executives, are eligible to receive an award.
Awards	The number of units to be granted is calculated by dividing the compensation value by the volume-weighted average trading price of a Share on the TSX for the five trading days immediately preceding the grant date. The calculated number of units is rounded up to the nearest unit.
Term	RSUs and PSUs are granted with a three-year term.
Dividends	The value of dividends paid on Shares is reinvested as additional share units.
Vesting	Awards have a three-year time vesting period and PSUs are also subject to performance vesting conditions.
Redemption	Vested RSUs and PSUs are redeemed by the Corporation at their vesting date for a cash payment.
Redemption Price	Equal to the volume-weighted average price of Shares on the TSX for the five trading days immediately preceding the redemption date.
Performance Factors	The PSU performance factors are set annually by the HRC and Board. Please see page 50 for details of the 2017 performance factors.
Cessation of Employment	**Death or Disability.** Vest immediately with a performance factor, if any, of 100%. **Retirement or Termination without Cause.** Vest per normal vesting schedule. **Resignation or Termination with Cause.** Awards are forfeited.
Change of Control	In the case of a change of control event where a survivor (which includes the Corporation), successor or acquiring entity (collectively, a ''**Successor**'') exists, such Successor shall retain or assume the outstanding RSUs or substitute similar awards. If, within 24 months following the change of control event, a participant's employment is terminated for a reason other than for just cause or resignation (other than resignation which constitutes constructive dismissal), all of the outstanding RSUs held by the participant will vest immediately upon the termination. If the Successor does not retain, assume or substitute all of the outstanding RSUs, all of the outstanding RSUs of each affected participant will be deemed to vest immediately prior to the change of control event. In the case where only part of the Corporation is subject to the change of control event, the Change of Control provisions of the Executive Share Unit Plan will only apply to the participants employed in the affected part of the business.
Recoupment	All outstanding RSUs and PSUs can be recouped if there is a restatement of financials which resulted from executive misconduct which led to an overpayment of incentive compensation.
Assignability	Not permitted.
Amendments	The Board may amend the Executive Share Unit Plan subject to any required regulatory or Shareholder approvals; provided a participant's previously granted RSUs cannot be negatively affected without the participant's consent.

Restricted Stock Plan

The following table provides the details of the Corporation's restricted stock plan (the ''**Restricted Stock Plan**''). Restricted Stock awards have not been granted since 2012. As of June 19, 2017, there are no outstanding restricted stock awards. No amendments were made to the Restricted Stock Plan in 2017.

Feature	Description
Securities	Restricted Stock is beneficially owned by the participant, including the right to vote. Restricted Stock is held in trust for the participant during the restricted period.
Eligibility	Employees designated from time to time by the HRC. Currently employees at the Senior Vice President level and above are eligible to participate.
Calculation of Award	Awards are converted into Shares by (a) deducting a consistent notional tax amount from the intended compensation value, (b) dividing the after-tax value by the market price, and (c) rounding the calculated number of Shares to the nearest 100.
Dividends	Dividends if any, are paid in cash to participants.
Restrictions and Performance Conditions	At the time of grant, the HRC sets restrictions, including performance conditions, if any.
Vesting	Restricted Stock vests when any restrictions and performance conditions have been satisfied, which typically occurs three years from the date of grant.
Cessation of Employment	**Death:** Vest as of date of death. **Retirement, Disability and Termination without Cause:** Continue to vest per vesting schedule. **Resignation and Termination with Cause:** Forfeited.
Amendments and Variations	The Board has the authority to amend the Restricted Stock Plan, subject to any required regulatory or Shareholder approvals; provided a participant previously granted Restricted Stock cannot be negatively affected without the participant's consent.

Stock Option Plan

The following table provides the details of the Corporation's stock option plan (the ''**Stock Option Plan**''), which authorizes the granting of Options with or without Tandem Stock Appreciation Rights (''**TSARs**''). TSARs have not been issued since March 2010. No amendments were made to the Stock Option Plan in 2017.

	Stock Options	Stock Option with TSARs
Securities	A stock option (an ''**Option**'') entitles a holder to purchase, in the future, a Share at a price (the ''**exercise price**'') set at the time of grant.	An Option granted with a TSAR entitles the holder to a cash payment equal to the difference between the exercise price and the purchase price.
Eligibility	Senior Vice President level and above are eligible to participate.	
Awards	The number of Options granted to participants is calculated by dividing the compensation value of the award by the product of the market price on the date of grant and the Black Scholes value. The calculated number of Options and TSARs is rounded to the nearest whole option.	
Term	Options are typically granted with a ten-year term. The maximum term is ten years (except where the Option with or without TSAR expires during a restricted trading period, in which case, the expiry date is extended to ten days following the end of the restricted trading period).	
Vesting	One-third vest and become exercisable on each of the first three anniversaries of the grant date.	
Exercise	The exercise price is determined using the volume-weighted average trading price of a Share on the TSX for the five trading days immediately preceding the grant date. Upon exercise, a Share is issued from treasury.	The value of the TSAR is the difference between the exercise price and the volume-weighted average trading price of a Share on the TSX for the five trading days immediately preceding the exercise date. Upon exercise, the related Option is cancelled and the Share underlying the cancelled Option is no longer available for issuance.
Cessation of Employment	**Death or Disability**. Options vest as at the date of death or disability and may be exercised within the earlier of 180 days of such date and the original expiry date. **Resignation and Termination without Cause.** Vested Options and those that vest within 90 days of the termination date may be exercised. Unvested Options and vested Options that have not been exercised are cancelled 90 days from the date of termination. **Retirement.** Options continue to vest as of the date of retirement and may be exercised within the earlier of 5 years from the date of retirement and the original expiry date. **Termination with Cause.** Vested and unvested Options are cancelled on the date of termination.	

	Stock Options	Stock Option with TSARs
Change of Control	In the case of a change of control event where a survivor (which includes the Corporation), successor or acquiring entity (collectively, a "**Successor**") exists, such Successor shall retain or assume the outstanding Options or substitute similar awards. If, within 24 months following the change of control event, an optionee's employment is terminated for a reason other than for just cause or resignation (other than resignation which constitutes constructive dismissal), all Options held by the optionee will vest immediately upon the termination. If the Successor does not retain, assume or substitute all of the outstanding Options, such Options will be deemed to vest immediately prior to the change of control event. In the case where only a division of the Corporation is subject to the change of control event, the Change of Control provisions of the Stock Option Plan will only apply to optionees employed in such division.	
Recoupment	Options granted since in 2014 can be recouped if there is a restatement of financials due to executive misconduct, which resulted in an over payment of incentive compensation.	
Assignability	Options are not assignable.	
Limitations	The Stock Option Plan places certain limitations on grants and terms of Options with or without TSARs These include: • The exercise price must not be lower than the market price of the Shares at the date of grant; • The total number of Shares issued or issuable to any one person under the Stock Option Plan, together with all other security based compensation arrangements of the Corporation, shall not exceed 5% of the Corporation's issued and outstanding securities; • The total number of Shares (a) issued to insiders of the Corporation within a one year period; and (b) issuable to insiders of the Corporation at any time under the Stock Option Plan, together with all other security based compensation arrangements of the Corporation, shall not exceed 10% of the Corporation's issued and outstanding securities; • The exercise of Options with or without TSARs is subject to the Corporation's Insider Trading Policy.	
Amendments and Variations	The Board or the HRC may amend the terms of an Option in compliance with the Stock Option Plan. The Board may amend the Stock Option Plan subject to required regulatory or Shareholder approvals; provided a participant's previously granted Options cannot be negatively affected without the participant's consent.[1][2]	

Notes:

(1) The HRC may make certain types of amendments to the Stock Option Plan without seeking Shareholder approval, including amongst other things; (i) amendments of an administrative nature; (ii) amendments to the vesting provisions of the Stock Option Plan or any Option; (iii) amendments to the Stock Option Plan to comply with tax laws; (iv) amendments to termination provisions not providing an extension beyond the original expiry date, or a date beyond a permitted automatic extension in the case of an Option expiring during a blackout period; and (v) amendments providing for or modifying or deleting a cashless exercise feature, payable in cash or Shares and providing for a full deduction of underlying Shares from the Option reserve.

(2) Shareholder approval is required for the following types of amendments to the Stock Option Plan, including amongst other things: (i) amendments to the number of Shares issuable under the Stock Option Plan; (ii) amendments reducing the exercise price or purchase price of an Option; (iii) amendments to termination provisions providing an extension beyond the original expiry date, or a date beyond a permitted automatic extension in the case of an Option expiring during a blackout period; (iv) amendments to the eligibility requirements which could increase insider participation; and (v) amendments to permit Options to be transferable or assignable other than for normal estate settlement purposes.

Outstanding Option-Based and Share-Based Awards

The following table provides information concerning all unexercised Option-based awards and non-vested Share-based awards granted to the NEOs on or before December 31, 2017, and which remain outstanding as of December 31, 2017.

NEO	Option-based Awards					Share-based Awards		
	Year of Grant	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of Unexercised In-The-Money Options[1] ($)	Number of units that have not vested[2] (#)	Unit Type	Market or payout value of unvested unit awards not paid out or distributed[3] ($)
David Pathe	2008	25,000	$15.02	17-Jun-18	Nil			
	2008	25,000	$ 3.69	12-Nov-18	Nil			
	2009	155,000	$ 5.16	16-Jun-19	Nil			
	2010	103,463	$ 8.33	22-Mar-20	Nil			
	2011	70,300	$ 9.10	4-Mar-21	Nil			
	2012	199,200	$ 6.04	2-Mar-22	Nil			
	2013	319,100	$ 5.14	11-Mar-23	Nil			
	2014	516,100	$ 3.00	3-Mar-24	Nil			
	2015	875,000	$ 2.11	13-Mar-25	Nil	418,781	RSUs	576,243
	2016	2,034,900	$ 0.68	23-Feb-26	2,116,296	1,286,765	RSUs	1,770,589
	2017	546,875	$ 1.20	28-Feb-27	284,375	364,583	RSUs	627,083
	2017					729,167	PSUs	—
	TOTAL	**4,869,938**			**2,400,671**	**2,799,296**	**Units**	**2,973,915**
Andrew Snowden	2015					18,960	RSUs	26,089
	2016					175,105	RSUs	240,944
	2017	93,750	$ 1.20	28-Feb-27	48,750	62,500	RSUs	107,500
	2017					125,000	PSUs	—
	TOTAL	**93,750**			**48,750**	**381,565**	**Units**	**374,533**
Steve Wood	2015	109,700	$ 2.98	11-May-25	Nil	86,025	RSUs	118,370
	2016	523,300	$ 0.68	23-Feb-26	544,232	500,000	RSUs	688,000
	2017	176,563	$ 1.20	28-Feb-27	91,813	117,708	RSUs	202,458
	2017					235,417	RSUs	—
	TOTAL	**809,563**			**636,045**	**939,150**	**Units**	**1,008,828**
Tim Dobson	2015					232,124	RSUs	319,403
	2016					713,240	RSUs	981,418
	2017					101,042	RSUs	173,792
	2017					303,125	PSUs	—
	TOTAL					**1,349,531**	**Units**	**1,474,613**
Elvin Saruk	2008	50,000	$15.02	17-Jun-18	Nil			
	2009	155,000	$ 5.16	16-Jun-19	Nil			
	2010	103,463	$ 8.33	22-Mar-20	Nil			
	2011	70,300	$ 9.10	4-Mar-21	Nil			
	2012	52,700	$ 6.04	2-Mar-22	Nil			
	2013	71,800	$ 5.14	11-Mar-23	Nil			
	2014	87,100	$ 3.00	3-Mar-24	Nil			
	2015	135,000	$ 2.11	13-Mar-25	Nil	167,514	RSUs	230,499
	2016	314,000	$ 0.68	23-Feb-26	326,560	514,710	RSUs	708,241
	2017	151,563	$ 1.20	28-Feb-27	78,813	101,042	RSUs	173,792
	2017					202,083	PSUs	—
	TOTAL	**1,039,363**			**405,373**	**985,349**	**Units**	**1,112,532**

Notes:

(1) The ''Value of Unexercised In-The-Money Options'' is calculated by multiplying the difference between the Option exercise price and the closing price of Shares on the TSX on December 29, 2017, which was $1.72, by the number of outstanding Options (both vested and unvested). Where the difference was negative, the Options are not in-the-money and no value is reported. Any actual payments resulting from the exercise of Options under the Stock Option Plan are calculated by multiplying the difference between the Option exercise price and the volume-weighted average trading price of a Share on the TSX for the five (5) trading days preceding the exercise date, by the number of outstanding Options.

(2) Represents 100% of outstanding RSUs and PSUs. The final number of RSUs that vest will vary from 80% to 120% of the number of RSUs originally granted plus dividend equivalents reinvested, if applicable. The final number of PSUs that will vest will vary from 0% — 200% of the number of PSUs

originally granted plus dividend equivalents reinvested, if applicable. See ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Mid- and Long-Term Incentive Awards*'' above, for details of the performance conditions that will be applied at vesting.

(3) The market or payout value of the RSUs granted in 2015 and 2016 is calculated by multiplying 80% of such RSUs awarded and the closing price of Shares on the TSX on December 29, 2017, which was $1.72. The market or payout value of the RSUs granted in 2017 is calculated by multiplying 100% of the RSUs awarded, as they are only subject to time-based vesting, and the closing price of Shares on the TSX on December 29, 2017, which was $1.72. The PSUs granted in 2017 are subject to performance conditions and are therefore ascribed a nil market or payout value.

Value Vested or Earned During the Year

The following table provides information concerning: (i) the aggregate dollar value that would have been realized by the NEOs if their option-based awards that vested during 2017 had been exercised on the vesting date; (ii) the aggregate dollar value that was realized by the NEOs on share-based awards that vested during 2017; and (iii) the aggregate dollar value of all non-equity incentive plan compensation earned by the NEO during 2017.

Name	Option-Based Awards Value Vested During the Year[1] ($)	Share-Based Awards Value Vested During the Year[2] ($)	Non-Equity Incentive Plan Compensation Value Earned During the Year[3] ($)
David Pathe	345,933	250,558	536,250
Andrew Snowden	N/A	12,529	128,066
Steve Wood	88,961	N/A	295,470
Tim Dobson	N/A	N/A	212,290
Elvin Saruk	53,380	109,622	222,072

Notes:

(1) Messrs. Pathe, Saruk and Wood had Options that vested during 2017. The value of these securities is calculated by multiplying (a) the number of Options that vested during the year by (b) the difference between the exercise price of each such Option and the closing price of the Shares on the TSX on the vesting date for such Option. If the vesting date was not a trading day, the closing price on the first trading day immediately following the vesting date was used. Where the difference was negative, the Options are not in-the-money and no value is reported. None of Messrs. Pathe, Saruk or Wood exercised any stock options during the year, therefore no value was realized and value of vested options remains at risk.

One third of the 2014, 2015 and 2016 Option grants vested in 2017. The 2014 and 2015 awards were not in-the-money on their respective vesting dates. On February 23, 2017 one-third of the 2016 Option grants vested. The values reported above were calculated by multiplying the number of 2016 Options that vested by the difference between the exercise price ($0.68) and the closing price on the Shares on the TSX on February 23, 2017 ($1.19).

(2) Messrs. Pathe, Snowden and Saruk had RSUs that vested on March 3, 2017. The value of these awards were calculated by multiplying (a) the number of RSUs that were awarded; (b) plus dividend equivalents credited when dividends were paid to Shareholders, as applicable; (c) multiplied by the relative total shareholder return performance factor, 80% as Sherritt did not meet the threshold level of RTSR for the performance condition to be met; (d) multiplied by the volume-weighted average price of Sherritt shares for the five trading days immediately preceding the vesting date, which was $1.15.

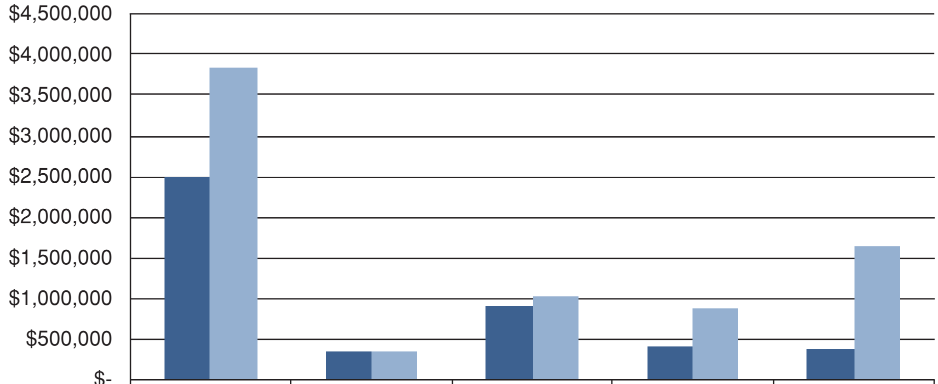
(3) Amounts reflect STI awards granted in 2018 in respect of incentive plan compensation for the 2017 fiscal year. For additional information see ''*Compensation Discussion & Analysis — 2017 Executive Compensation Decisions — 2017 Short-Term Incentive Awards*'' beginning on page 45, above.

Executive Share Ownership Requirements

In 2009, the Corporation established share ownership requirements for the senior executive officers of the Corporation (''**Executive SOR**'') which are designed to align the interests of executives with the interests of Shareholders. The Executive SOR can be satisfied with Shares and RSUs held by executives (the ''**Executive SOR Holdings**''). The Executive SOR is a multiple of each executive's base salary, with the CEO and COO required to maintain 3-times and 2-times their base salary, respectively, and each of the other senior executive officers are required to maintain 1-times his or her base salary. Executives have five years from the later of (i) the date the policy was introduced or amended; or (ii) the date they were appointed to a position with a new Executive SOR level to meet their Executive SOR requirement. Additionally, the CEO must continue to meet the SOR for at least one year post-retirement.

The graph below illustrates the Executive SOR Holdings for each NEO as of December 31, 2017, with all NEOs having met their individual requirement for 2017.

NEO Share Ownership Requirement



	CEO	CFO	COO	SVP, Metals	SVP, OGP
Current Share Ownership Requirement ($)	$2,475,000	$350,000	$900,000	$400,000	$380,000
Current Individual Status ($)[1]	$3,827,657	$362,753	$1,030,233	$891,014	$1,639,050

Note:

(1) Executive SOR Holdings were calculated using the number of Shares and RSUs held as at December 31, 2017. The market value of Shares is calculated by multiplying the total number of Shares by the greater of (a) the grant or purchase price and (b) the December 2017 simple average closing Share price on the TSX, which was $1.47. The total number of Shares includes Shares subject to vesting under the terms of the ESOP.

The final number of 2015 and 2016 RSUs that vest will vary from 80% to 120% depending on the Corporation's relative total shareholder return performance over the vesting period. Accordingly, the market value of RSUs granted in 2015 and 2016 assumes only 80% will vest and is calculated by multiplying 80% of such RSUs awarded by the greater of the (a) the grant or purchase price and (b) the December 2017 simple average closing Share price on the TSX. The market or payout value of the RSUs granted in 2017 is calculated by multiplying 100% of the RSUs awarded, as they are only subject to time-based vesting, by the greater of the (a) the grant or purchase price and (b) the December 2017 simple average closing Share price on the TSX. See "*Compensation Discussion & Analysis — Incentive Plan Awards — Executive Share Unit Plan*" beginning on page 64 for details.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets out information with respect to the Corporation's Stock Option Plan under which equity securities of the Corporation are authorized for issuance to employees or former employees. Information in the table below is given as at December 31, 2017.

	Securities to be Issued Upon Exercise of Outstanding Options		Weighted-Average Exercise Price of Outstanding Options	Securities Remaining Available for Future Issuance[2]		Total Securities issuable under Option Plan	
Plan Category	**Number**	**% of Shares Outstanding**		**Number**	**% of Shares Outstanding**	**Number**	**% of Shares Outstanding**
Stock Option Plan approved by securityholders[1]	10,435,061	3.46%	$2.77	849,943	0.28%	11,285,004	3.74%
Equity compensation plans not approved by securityholders	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Represents Shares issuable under the Corporation's Stock Option Plan. The Stock Option Plan was established in 1995 following the creation of the Corporation and before the Shares were distributed to the public. The Stock Option Plan was amended in 2005, 2007, 2010 and 2014.

(2) The Corporation is authorized to issue up to 17,500,000 Shares under the terms of the Stock Option Plan, which represents 5.80% of the issued and outstanding Shares as at December 31, 2017. The number of Shares available for future issuance under the Plan includes Shares that have not previously been reserved for an Option grant and Shares underlying unexercised Options that have expired or were terminated.

As of date of this Circular, there were 10,999,400 Options under the Stock Option Plan, representing approximately 2.77% of the Corporation's current issued and outstanding Shares. As of the date of this Circular, this leaves an aggregate of 91,804 Options available for grant under the Stock Option Plan, representing 0.02% of the Corporation's issued and outstanding Shares.

Stock Option Burn-Rate

The following table sets out information with respect to the burn-rate calculations for the Stock Option Plan as at December 31, 2017.

Description		Percentage
Burn-rate	The total number of Options issued in 2017 divided by the weighted average number of outstanding Shares for 2017.	0.47%
	The total number of Options issued in 2016 divided by the weighted average number of outstanding Shares for 2016.	1.29%
	The total number of Options issued in 2015 divided by the weighted average number of outstanding Shares for 2015.	0.71%

PENSION BENEFITS

No changes were made to the retirement savings program in respect of 2017. Retirement savings contributions made on behalf of the executive is outlined in the table below.

Executive Level	Contribution Value (% of Base Salary)
CEO	12%
Other NEOs	12%

Contributions made on behalf of the executive are directed to a group retirement savings plan and such amounts are reported as an element of All Other Compensation in the Summary Compensation Table on page 63. For Canadian residents such contributions continue until the annual maximum RRSP contribution limit is reached. The remaining contributions are notionally directed to the executive's ESPP account. Non-Canadian residents have the full value of their retirement savings contributions directed to an international retirement savings plan.

The following table sets forth details of the ESPP accounts for each of the NEOs, the proceeds of which are payable to NEOs upon cessation of their employment.

NEO[(2)]	Accumulated Value at Start of the Year ($)	Compensatory[(1)] ($)	Accumulated Value at Year End ($)
David Pathe	492,455	75,490	599,910
Steve Wood	71,426	30,490	110,620
Elvin Saruk	459,107	19,590	526,688

Notes:

(1) Compensatory changes represent the notional amount contributed in 2017 to each participating NEO's ESPP account.

(2) Mr. Dobson does not participate in the ESPP, as a non-Canadian resident he is not eligible to do so. Mr. Snowden does not participate in the ESPP due to his timing of promotion to the CFO position. One hundred percent of their retirement savings are directed to the group retirement savings plan and are reported in the Summary Compensation Table on page 63.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Employment Agreements and Termination Arrangements

Employment agreements are in place with Mr. Pathe and Mr. Wood. For Messrs. Dobson, Saruk and Snowden, any severance entitlements are in accordance with statutory requirements and common law.

The following table summarizes the details of termination arrangements outlined in Mr. Pathe's and Mr. Wood's employment agreements.

	David Pathe	Steve Wood
Base Salary	24 months	18 months
STI	2x the average of the prior two years' payment value; plus a pro-rata annual incentive for the year of termination.	1.5x the greater of (a) 75% of target for current year and (b) actual award for prior year (not to exceed 100% of target).
Mid- and long-term incentives	Pursuant to the terms of the applicable plan for awards previously received.	Pursuant to the terms of the applicable plan for awards previously received.
Benefits and perquisites	24 months	18 months

Change of Control

Upon appointment to the SVP level or above, change of control agreements have been entered into with each executive. Accordingly, change of control agreements exist for each of Messrs. Pathe, Snowden, Wood, Dobson and Saruk. Under the terms of these agreements, if the executive's employment is terminated without cause or if they resign for good reason (as defined in the change of control agreement) within 24 months of a change of control or prior to a change of control at the request of an acquirer, the executive is entitled to certain benefits.

For purposes of these agreements, change of control is defined as:

(1) the acquisition (directly or indirectly) by any person or a combination of persons acting jointly or in concert (other than an entity or entities that were, immediately prior to such acquisition, affiliates of the Corporation) of more than 50% of the voting securities of the Corporation;

(2) fifty percent or more of the issued and outstanding voting securities of the Corporation become subject to a voting trust other than a voting trust controlled by any entity or entities that were, immediately prior to such disposition, affiliates of the Corporation;

(3) a majority of the directors of the Corporation are removed from office or fail to be re-elected at any annual or special meeting of Shareholders, or a majority of the directors resign from office over a period of 60 days or less, and the vacancies created thereby are not filled by appointments made by the remaining members of the Board;

(4) the disposition of all or substantially all of the assets of the Corporation other than to an entity or entities that were, immediately prior to such disposition, affiliates of the Corporation;

(5) where applicable, the disposition of all or substantially all of the assets of a division of the Corporation in which the Executive is employed other than to an entity or entities that were, immediately prior to such disposition, affiliates of the Corporation;

(6) any resolution is passed or any action or proceeding is taken with respect to the liquidation, dissolution or winding-up of the Corporation;

(7) the Corporation amalgamates with one or more entities other than any entity or entities that were, immediately prior to such amalgamation, affiliates of the Corporation, if the result of such amalgamation is that persons who were formerly Shareholders of the Corporation immediately prior to such amalgamation hold less than a majority of the voting securities of the amalgamated entity;

(8) the Corporation enters into any transaction or arrangement which would have the same or similar effect as any of the transactions referred to in the foregoing paragraphs; or

(9) any person (other than the executive or any of his associates) makes a bona fide take-over bid for the Shares of the Corporation that, if successful, would result in a change of control of the Corporation as defined in paragraph 1 above.

The treatment of Share-based compensation awards upon a change of control is governed by:

- the terms of our various compensation plans and is described below for a change of control without a termination;
- the terms of the change of control agreement for change of control with a termination.

The following table summarizes the compensation that would be paid to the NEO in a change of control with and without termination.

	Change of Control without Termination	Double Trigger: Change of Control AND Termination without Cause
Severance	None	Lump sum payment equal to the sum of: • two times base salary at date of termination; • two times annual incentive at target performance; • 24 months of retirement savings contributions; • 24 months of perquisite allowance; and • 24 months of benefit premiums.
Options with or without TSARs	**Options granted after 2014:** Continue to vest and become exercisable per normal schedule. **Options granted 2014 and earlier:** Immediately vest.	Immediately vest and become exercisable for a period of 12 months from the termination date.
RSUs	Continue to vest per normal vesting schedule.	Vest and become payable upon termination.
PSUs & RSUs with Performance Conditions		Vest and become payable upon termination. Performance conditions, if any, will be deemed to have been met at target performance (100%) if RSUs are not assumed or the participant is terminated without cause within 24 months of the change of control.
Restricted Stock	The Board has the discretion to provide that some or all of the Restricted Stock held by the participant vests on or within a specified period prior to or following the change of control.	Vest and unrestricted ownership is transferred to participant.
Helms-Burton Allowance	Not impacted.	Continues until the NEO is removed from the Title IV list.

Notes:

(1) The change of control agreements do not include any non-compete or non-solicitation provisions.

(2) The NEO is expected to take necessary action to be removed from the Title IV list, and provided with reasonable assistance as may be necessary.

Calculation of Incremental Amounts

The incremental amounts payable to each of the NEOs under various termination scenarios are set out in the table below. The estimated incremental amounts include the amounts described in the Termination and Change of Control tables set out above, as well as other amounts payable in accordance with the Corporation's incentive plans. The actual amount that an NEO will receive under each termination of employment scenario depends on actual circumstances at time of termination. As there are many factors that would affect the nature of the amount of any benefit provided to the NEO as a result of a termination of employment, actual amounts may be higher or lower than what is described below. The following assumptions have been made for purposes of calculating the incremental benefit for each NEO:

- Termination date of December 31, 2017;
- Closing Share price as at December 29, 2017, which was $1.72;
- For retirement, termination without cause and change of control with termination, three months of Helms-Burton Allowance;
- The incremental amount for termination without cause does not include amounts that may be payable under common law to Messrs. Snowden, Dobson and Saruk. The incremental amounts for each of Messrs. Pathe and

Wood for a termination without cause are determined in accordance with their respective employment agreements; and

- The unvested portions of the 2016 and 2017 Options would have been in-the-money on December 31, 2017 and were used in calculating the incremental value associated with the double triggered change of control and termination without cause scenario.

	David Pathe	Andrew Snowden	Steve Wood	Tim Dobson	Elvin Saruk
Resignation	Nil	Nil	Nil	Nil	Nil
Retirement	$ 37,500	$ 17,500	$ 22,500	$ 20,000	$ 19,000
Termination with Cause	Nil	Nil	Nil	Nil	Nil
Termination without Cause	$ 3,068,260	Nil	$1,219,913	Nil	Nil
Change of Control without Termination	Nil	Nil	Nil	Nil	Nil
Double trigger: Change of Control and Termination without Cause	$10,843,248	$1,875,372	$3,994,600	$3,878,739	$3,399,380

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness as defined under Canadian securities laws, none of the executive offices, directors, employees and former executive officers, directors and employees of the Corporation or any of its subsidiaries have been indebted to the Corporation at any time since the beginning of the last completed financial year of the Corporation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON

To the knowledge of the Corporation, no person who has been a director or executive officer of the Corporation at any time since the beginning of its last completed financial year, no proposed nominee for director of the Corporation nor any associate or affiliate of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities of otherwise, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, no informed person of the Corporation, proposed director, or any associate or affiliate of any informed person or proposed director has a material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries.

ADDITIONAL INFORMATION

Financial information for the financial year ended December 31, 2017 is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis of the audited consolidated financial statements for the year ended December 31, 2017 (the ''**MD&A**''). Shareholders who wish to be added to the mailing list for the annual and interim financial statements and MD&A should contact the Corporation at 181 Bay St., 26th Floor, Toronto, Ontario M5J 2T3; Attention: Corporate Secretary.

Copies of the Corporation's 2017 AIF, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the 2017 AIF, the Corporation's most recently filed comparative annual financial statements, together with the accompanying report of the auditor, and any interim financial statements of the Corporation that have been filed for any period after the end of the Corporation's most recently completed financial year, and this Circular are available, upon request, from the Corporate Secretary of the Corporation, without charge, to Shareholders.

The 2017 financial statements and MD&A, the 2017 AIF and other information relating to the Corporation are also available on SEDAR at www.sedar.com.

DIRECTORS' APPROVAL

The contents of this Circular and its sending to Shareholders have been approved by the directors of the Corporation.

By Order of the Board of Directors

"*David Pathe*"
David Pathe
Chairman, President and Chief Executive Officer

Toronto, Ontario
May 4, 2018

SCHEDULE ''A''

SHERRITT INTERNATIONAL CORPORATION

MANDATE OF THE BOARD OF DIRECTORS

1. GENERAL

The Board of Directors (the ''Board'') is responsible for overseeing the management of the business and affairs of Sherritt International Corporation (the ''Corporation'') according to lawful and ethical standards and in accordance with the Corporation's viability as a going concern.

The Board has the power to delegate its authority and duties to committees of the Board as it determines appropriate, as permitted by applicable law. Board committees are accountable to the Board, which at all times retains its oversight function and ultimate responsibility for all delegated responsibilities.

2. BOARD DUTIES AND RESPONSIBILITIES

Directors and Senior Management

- Appoint the Chairman, the Lead Director (in cases where the Chairman is not independent), the President and CEO and other senior officers and, as permitted by applicable law, delegate to senior management responsibility for the Corporation's day-to-day operations.
- With the assistance of the Nominating and Corporate Governance Committee, evaluate the performance of the Chairman against the position description developed by the Board.
- With the assistance of the Human Resources Committee, evaluate the performance of the President and CEO against the position description developed by the Board. In cases where the role of Chairman and President and CEO is combined, the Chairman shall be excluded from this evaluation.
- With the assistance of the Nominating and Corporate Governance Committee, ensure that management maintains a process that adequately provides for succession planning of senior management.

Ethical Leadership

- Foster an ethical corporate environment and ensure that the President and CEO and other senior officers manage the business and affairs of the Corporation in an ethical and legal manner and exhibit ethical leadership throughout the Corporation.

Strategic Direction and Risk Assessment

- With the assistance of the applicable Board committee, assess and approve management's strategic plan and review and approve annual business plans developed and proposed by management. The Board will:
  - provide advice and input regarding strategic opportunities, issues and circumstances which could threaten the Corporation's viability as a going concern;
  - approve business and operational policies within which management will operate in relation to capital expenditures, acquisitions and dispositions, disclosure and communications, finance and investment, risk management and human resources;
  - set annual corporate and management performance targets consistent with the Corporation's strategic plan;
  - review and discuss with management the process used by management to assess and manage risk, including the identification by management of the principal risks of the Corporation's business and the implementation by management of appropriate systems to deal with such risks; and
  - confirm that processes are in place to address and comply with applicable legal, regulatory, corporate, securities and other compliance matters.

Financial Reporting and Management

- The Board will approve annual operating and capital budgets.

- With the assistance of the Audit Committee, the Board will:
  - review and oversee the integrity of the Corporation with respect to its compliance with applicable audit, accounting and financial reporting requirements;
  - oversee the integrity of the Corporation's disclosure controls and procedures and internal controls over financial reporting, and management information systems;
  - review operating and financial performance results relative to established strategies, plans, budgets and objectives; and
  - approve the Corporation's annual financial statements and related management's discussion and analysis and earnings press releases.

Disclosure, Communications and Insider Trading

- With the assistance of the Nominating and Corporate Governance Committee, satisfy itself that appropriate policies and procedures are in place regarding public disclosure, communications and restricted trading by insiders.

Corporate Governance

- With the assistance of the Nominating and Corporate Governance Committee, the Board will:
  - ensure that there exists an appropriate system of corporate governance, including practices to facilitate the Board's independence;
  - ensure that the necessary Board committees are in place and approve: (i) any changes to their respective mandates; (ii) the mandate of any new committee; and (iii) the authority delegated to each committee;
  - ensure that there exists appropriate processes for the annual evaluation of Board and committee effectiveness and the contributions of individual directors; and
  - approve the nomination of directors.

Independence

In cases where the Chairman is not independent, a Lead Director shall be appointed annually from among the independent directors, and may be removed, by a majority of the independent directors and shall be recommended by the Nominating and Corporate Governance Committee.

The principal role of the Lead Director is to facilitate the functioning of the Board independent of management and the Chairman and serve as an independent leadership contact for the directors and senior executives. The Lead Director shall consult with the Chairman and approve the agendas, board materials and schedules for board meetings, preside over in camera sessions of independent directors, call, if necessary, the holding of special meetings of the Board or independent directors and oversee the annual Board and individual director evaluation process (including providing the Chairman with an annual performance evaluation).

Compensation of Senior Officers and Directors

- With the assistance of the Human Resources Committee, the Board will:
  - approve the compensation of the President and CEO and senior management reporting directly to the President and CEO, as well as compensation policies for the President and CEO and other senior officers;
  - approve the compensation of directors, including the Chairman; and
  - approve any equity-based compensation plans for eligible directors, officers and other employees of the Corporation.

Environment, Health, Safety and Sustainability

- With the assistance of the Environment, Health, Safety and Sustainability Committee, the Board will:
  - monitor the scope of environment, health and safety, security and sustainability risks to the Corporation's operations and future growth and ensure the adequacy and effectiveness of the Corporation's management systems and controls to mitigate these risks and attendant liabilities; and

- ensure compliance with legal and regulatory requirements and any voluntary commitments the Corporation has made related to environment, health and safety, security and sustainability with a focus on continuous improvement and ensuring consistent practice across the Corporation and its divisions.

3. DIRECTOR DUTIES AND RESPONSIBILITIES

- Each director must act honestly and in good faith with a view to the best interests of the Corporation and its shareholders by exercising the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In order to fulfill this responsibility, each director is expected to:
  - participate with management in assessing strategic and business plans;
  - develop and maintain a thorough understanding of the Corporation's operational and financial objectives, financial position and performance and the performance of the Corporation relative to its principal competitors;
  - participate in each meeting, including seeking clarification from management and outside advisors where necessary to fully understand the issues under consideration;
  - disclose any personal interests that conflict with, or may appear to conflict with, the interests of the Corporation; and
  - engage in continuing education programs for directors, as appropriate.

4. BOARD COMPOSITION

- With the assistance of the Nominating and Corporate Governance Committee, determine the size and composition of the Board, Board member qualifications and Board member independence to ensure that a majority of directors qualify as independent directors as determined under applicable Canadian securities laws.

5. CHAIRMAN OF THE BOARD

In cases where the Chairman is an independent director, the Chairman is responsible for ensuring that the Board operates independently of management and that directors have an independent leadership contact.

Specific Roles and Responsibilities

- The Chairman will:
  - chair meetings of the directors and assume such other responsibilities which the directors as a whole may designate from time to time;
  - ensure that directors have adequate opportunities to meet without management present;
  - communicate to senior management as appropriate the results of private discussions among directors;
  - monitor compliance with the Corporation's governance policies; and
  - meet annually with each director to obtain insight as to areas where the Board and its committees could be operating more effectively.

  In cases where the Chairman is not an independent director, the Lead Director will chair all in camera meetings of the independent directors and ensure that sure directors have adequate opportunities to meet without management, as well as informing the Chairman of the results of private discussion among the independent directors.

  Please refer to the Corporation's document entitled ''Chairman's Terms of Reference'', attached as Appendix ''A'' for additional responsibilities of the Chairman.

6. BOARD MEETINGS

- Board meetings are scheduled in advance and are held not less than quarterly.
- In addition to regularly scheduled Board meetings, additional Board meetings may be called upon proper notice at any time to address specific needs of the Corporation.
- An in-camera session will be held at each regularly scheduled Board meeting.
- The Board may also take action from time to time by unanimous written consent.
- A Board meeting may be called by the Chairman, the Lead Director (if applicable) or any director.

(Revised April 2017)

APPENDIX 'A'

CHAIRMAN'S TERMS OF REFERENCE

The principal role of the Chairman of the Board of Directors (''Board'') of Sherritt International Corporation (the ''Corporation'') is to provide leadership to the Board. The Chairman is responsible for effectively managing the affairs of the Board and ensuring that the Board is properly organized and that it functions efficiently and, in cases where the Chairman is an independent director, independent of management. Where the role of Chairman and President and Chief Executive Officer is not combined, the Chairman also advises the President and Chief Executive Officer in all matters concerning the interests of the Corporation, the Board and the relationships between management and the Board.

More specifically, the Chairman shall:

A. Strategy

1. Provide leadership to enable the Board to act effectively in carrying out its duties and responsibilities as described in the Mandate of the Board and as otherwise may be appropriate.
2. Work with the Board, the President and Chief Executive Officer and other management to monitor progress on the Corporation's business plans, annual budgets, policy implementation and succession planning.
3. Assist the President and Chief Executive Officer in presenting the corporate vision and strategies to the Board, large shareholders, partners and the outside world.

B. Advisor to President and Chief Executive Officer

4. In the case where the roles of the Chairman and President and Chief Executive Office is not combined:

a. Provide advice, counsel and mentorship to the incumbent President and Chief Executive Officer; and

b. In consultation with the President and Chief Executive Officer, ensure that there is an effective relationship between management personnel and the members of the Board.

C. Board Structure and Management

5. Preside over Board meetings and annual and special meetings of shareholders.
6. Provide advice, counsel and mentorship to fellow members of the Board.
7. Execute the responsibilities of a company director according to the lawful and ethical standards and in accordance with the Corporation's policies.
8. Take a leading role, together with the Nominating and Corporate Governance Committee, in determining the composition of the Board and its committees to achieve maximum effectiveness.
9. In consultation with the President and Chief Executive Officer, the Corporate Secretary, the Lead Director and the chairs of the Board committees, as appropriate, determine the frequency, dates and locations of meetings of the Board, of Board committees and of the shareholders.
10. In consultation with the President and Chief Executive Officer, Corporate Secretary and the Lead Director, review the annual work plan and the meeting agendas to ensure all required business is brought before the Board to enable it to efficiently carry out its duties and responsibilities.
11. Ensure the proper flow of information to the Board and review, with the President and Chief Executive Officer, Corporate Secretary and the Lead Director, the adequacy and timing of materials in support of management personnel's proposals.

D. Compensation Matters and Succession Planning

In cases where the Chairman is independent, the Chairman shall, in conjunction with the Human Resources Committee:

12. Recommend compensation awards for President and Chief Executive Officer and be available to advise the Board on general compensation matters.
13. Advise the Board on performance of the President and Chief Executive Officer and succession planning of the President and Chief Executive Officer.

14. President and Chief Executive Officer, develop executive succession planning options to support the Corporation's strategies and to capitalize on opportunities for growth and/or acquisition.

If the Chairman is not independent, the Lead Director shall assume the responsibilities of the chairman in respect of items 12, 13 and 14 above.

Questions? Need Help Voting?

Please contact our Strategic Shareholder Advisor and Proxy Solicitation Agent, Kingsdale Advisors

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